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NAVAL POSTGRADUATE SCHOOL

MONTEREY, CALIFORNIA

THESIS

CHINA'S RISE AND SATISFACTION WITH THE MODERN GLOBAL ORDER

by

Christopher Byrnes

June 2009

Co-Advisors: Christopher Twomey
Alice. L. Miller

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In this thesis, the current international order and China's position within it is assessed in order to place it within a hierarchy of states. After concluding that China has increased its relative power within the global order, its satisfaction with various elements of the international system is discussed. Tammen and Kugler's model for assessing satisfaction is used to determine if China is at present a "status quo" state, and whether it might have revisionist intent in the future. Compliance with international norms, economic integration, military modernization, territorial disputes and the role of ideology are assessed to predict whether China is in fact satisfied with the distribution of benefits within the global system. This thesis concludes with a discussion of the implications of an increasingly powerful China, able to demand more benefits from the system that the United States developed. Several policy recommendations are made in the conclusion that generally advise that the United States continue to integrate China into the global order and to maintain its position as the dominant state, guiding the international relations dialogue and shaping China's influence on it.

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CHINA'S RISE AND SATISFACTION WITH THE MODERN GLOBAL ORDER

Christopher R. Byrnes
Lieutenant, United States Navy
B.A., Boston University, 2003

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requirements for the degree of

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June 2009

Author: Christopher R. Byrnes

Approved by: Christopher P. Twomey
Co-Advisor

Alice L. Miller
Co-Advisor

Harold A. Trinkunas, PhD
Chairman, Department of National Security Affairs

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I. INTRODUCTION

A. THE MODERN INTERNATIONAL SYSTEM

The history of modern international politics and security competition among states dates to the Peace of Westphalia in 1648. After the Thirty Years War left much of Europe in ruin, the remaining power contenders were in need of a new norm to guide their coexistence. The modern concept of state sovereignty emerged from this agreement and governed the interactions between the states of Europe for the next 300 years. The intense security competition among European states that resulted in World War I and World War II highlighted the need for a new system of governance to guide the interaction among states, lest they revert to the destructive policies of the past. The United States, having emerged as the most powerful state in the system after World War II, implemented a combination of realist and liberalist institutions to aid in its efforts to avoid a system-shattering war such as was expected between the United States and the Soviet Union.

China played a less significant role during the Cold War because of its relative weakness. Having experienced the 19th and 20th centuries as a focal point of both Western and Japanese Imperialism, and having subsequently endured a civil war and the resulting Communist revolution that established the People's Republic of China (PRC), China emerged in 1971 with its admittance to the United Nations (UN) as the sole representative of Mainland China. In 1978, after the death of the revolutionary leader, Mao Zedong, Deng Xiaoping instituted sweeping domestic reforms that transformed the foundation of China's economic, diplomatic, military and social existence. Deng's reforms gave China's people a newly inspired nationalist sentiment based on increased prosperity and modernization. These reforms changed China's domestic politics by institutionalizing the transfer of power and creating a new social stratum in China's entrepreneurial class. They also changed the nature of China's relationship with the

international community, increasing its impact among nations to the point where China can demand more benefits from the system to which it contributes significantly.[1]

The role of China in the international arena can be expected to change as its power and interests increase according to its expanding economic, diplomatic, and military influence. China's impact on the 21st century will be very different from its impact on the 20th century if its interests and influence around the world continue to expand as they have since Deng's reforms. Since emerging from isolation, China's place within the international order has increased in importance with regard to the other actors in the international arena. Power transition theorists would posit that the differential growth rates of the economies of the United States, the system hegemon, and China, a potential challenger, have been sufficiently unbalanced in China's favor over the past generation such that China will soon be able to upset the hegemonic balance that the United States established.[2] Realists would agree with the notion that China's increased domestic interests and economic power will result in increased influence throughout the world,[3] and in fact

> all nations actively engaged in the struggle for power must actually aim not at a balance—that is, equality—of power, but at superiority of power in their own behalf. And since no nation can foresee how large its miscalculations will turn out to be, all nations must ultimately seek the maximum of power attainable under the circumstances.[4]

Morgenthau's assessment of states' motivations implies a threatening tone to any state's actions, and with China's rapidly expanding sphere of influence, often enlarged at the expense of other states, it is inevitable that any attempt at passive or active influence will be viewed as a threat by the existing hegemon.

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[1] Robert Gilpin, *War and Change in World Politics* (Cambridge: Cambridge University Press, 1981), 98.

[2] A.F.K. Organski and Jacek Kugler, *The War Ledger* (Chicago: The University of Chicago Press, 1980), 19-20.

[3] Gilpin, 1981, 24.

[4] Hans J. Morgenthau, *Politics Among Nations: The Struggle for Power and Peace* (New York: Alfred A. Knopf, 1973), 208.

The problem arising for analysis of China's situation is in assessing how satisfied China's elite political leadership is with the benefits it currently receives from the international system, and with China's position relative to other states. Doing so requires an assessment of variables with which realist are comfortable, specifically measures of national power. But to place those same realist variables within the framework of a hierarchical international system is something with which most realists would not be comfortable. The reason for doing so here is to facilitate the comparison of China with several states in the system, particularly the United States. Comparison of China with other states under anarchic assumptions results in an unbalanced focus on capabilities while minimizing several other variables. Current power transition theories are useful for providing a rubric of measures to assess China's foreign policy and its general satisfaction with the results of those policies. This study combines those two endeavors by assessing the extent to which China is satisfied with its ability to achieve its foreign policy objectives in various sectors of international relations—international norms, economic interdependence, military modernization, territorial disputes and ideology.

B. CHINA RISING

Although China certainly played a role as a strategic balancer during the Cold War, it by no means had a significant hand in determining the institutions that came to dominate the global order in the post-cold war era. That system was created by the United States and its allies to decrease transition cost among liberal democracies in the face of an expanding Soviet threat. Ikenberry depicts the world order of today as

> [f]undamentally different from those that past rising states confronted. China does not just face the United States; it faces a Western-centered system that is open, integrated, and rule-based, with wide and deep political foundations. Today's Western order…is hard to overturn and easy to join.[5]

[5] John G. Ikenberry, "The Rise of China and the Future of the West," *Foreign Affairs*, Vol. 87, No. 1 (January/February 2008), 23.

The key factors defined here are the integration of states along the spectrum of behaviors, from economic to military, and the rules-based nature of state interaction according to norms established by the United States. The dynamic offered here pervades the international system and whether or not states agree with those norms, they abide in reference to them, which has led to a more stable global security environment.[6]

The system as it currently exists faces confrontation from many actors who feel that the benefits that they receive do not accord with their stature within the system. The danger in this is that if one such state does consolidate the power to increase its benefits, then it may attempt to do so through the use of force. Such a state would act in ways that would be identifiable to others and, in theory, could be prevented. One objective of this study is to determine whether or not China displays evidence of such a state, or whether it is in general satisfied. Participation in international organizations and compliance with the norms they promulgate and demands for a redistribution of power within the system are two such behaviors that might be indicative of a confrontational state.[7] Further evidence of such a confrontational state has been sought by looking at variables already mentioned, but with some problems. Tammen and Kugler posit that specific relationships between the United States and China: their territorial disputes, a buildup of armaments, China's compliance with international norms, a strong ideological dispute with the United States, and binding patterns of trade between the two countries, are related to the satisfaction of the challenger, China, and therefore useful to determine the likelihood of conflict. While these variables are critical in assessing China's place within the international order, as well as its likely satisfaction with that place, Tammen and Kugler place greater importance on territorial disputes than they do on economic integration. They assess an armaments buildup where one would be better served by assessing China's military modernization as a whole. They fail to assess the drastically reduced role of ideology in China's politics in favor of more realist pragmatism, particularly in its foreign policy. Most significantly, while the system hegemon is

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[6] Robert O. Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy* (Princeton: Princeton University Press, 2005), 64.

[7] Alastair Iain Johnston, "Is China a Status Quo Power," *International Security*, Vol. 27, No. 4 (Spring 2003), 11.

certainly an important actor in the power transition model, there are other significant states, relationships, and behaviors by the potential challenger that they do not address at all. This study addresses those shortfalls by identifying the breadth of variables relevant to power transition in China and incorporating them into the pragmatic framework of multilateral relationships that China has fostered since its reforms. This study will delve into each variable in order to ascertain a more complete view of China's actions, motivations and intentions with regard to its changing status in the international system, and the benefits that China accrues.

C. FRAMEWORK FOR ANALYSIS

China's engagement with the range of international institutions available to it lends itself to analysis through a framework based on multilateral cooperation. By looking at China's engagement with various international organizations, by assessing important milestones in those relations, and by regarding those instances where China expressed a clear preference for one avenue over another, a clearer picture emerges whereby China's behavior can be seen to follow certain comprehensive and coherent trends. China's "conditional multilateralism"[8] captures the essence of this framework, implying that China will use the previously established, global, multi-lateral institutions when there is a clear, rational benefit and sufficient certainty that China will have enough leverage to withstand potential demands from Washington. China's engagement with regional organizations has followed a rather different set of rules, driven by very different needs. The informality and consensus-driven nature of many regional Asian organizations have proven attractive to China because it can avoid the domination of the United States while not entering into formal commitments with its Asian neighbors. At the same time, informal commitments have shown real results, such as those agreements with the Association of Southeast Asian Nations (ASEAN) members to set aside territorial disputes in the South China Sea (SCS) in order to pursue joint development of the natural resources there. China has used Track Two engagement in an effective

[8] Jing-dong Yuan, *Asia-Pacific Security: China's Conditional Multilateralism and Great Power Entente (*Strategic Studies Institute, U.S. Army War College, January 2000), 2.

manner to bolster its efforts at the regional level, by using a further informal and consensus-driven forum to exchange ideas among journalists, academics and government officials acting in an unofficial manner. China has pursued bilateral agreements for concrete and specific objectives, but as with its other avenues, bilateral relations reinforce many of its national objectives of reunification, security through multi-polarity and modernization. In China's modern history, it has used unilateral force to signal its dissatisfaction with a situation such as Taiwan, when it sought to indicate to Taiwan and the United States that it was dissatisfied with its decreasing claim strength and sought to make its resolve known to the other parties.

In order to make use of this framework, while strengthening Tammen and Kugler's measures of satisfaction, this study assesses China's use of multilateralism in five areas after making a preliminary assessment of China's power and place within the hierarchy of states. In each chapter—power and hierarchy, international norms, economic integration, military modernization, territorial disputes, and role of ideology—China's satisfaction is assessed as a product of its ability to pursue and achieve its foreign policy objectives within the context of the current international order. If China finds that it is able to wield a certain degree of power within the UN or the (World Trade Organization (WTO) to affect its desired policy, then it would be assessed as relatively satisfied. If, however, an issue such as human rights were linked by the United States to issues of market access, a position in which China is relatively weaker, then it would be far more satisfied to address its concerns in a regional forum such as the East Asia Summit (EAS), or even the Asia-Pacific Economic Cooperation (APEC), where, though the United States is a member, the norm of consensus is much more prevalent, and China's influence is stronger. To the extent that China is able to achieve its foreign policy at a particular level of engagement along the spectrum from global to bilateral, China will do so and be satisfied in that category. Where China is constrained by the United States, it will be dissatisfied and move down the spectrum until it is able to achieve its goals. At the unilateral level, China has exhausted the range of political engagement and sees itself with no option to achieve its policy objective except through the use of force.

The international order established after World War II was created to avoid conflict among major states because of the devastation of the two World Wars. Attempting to exclude China from having a significant role within the modern system dramatically increases the potential for systemic conflict, in much the same manner that occurred during the Cold War, when each side sought to promote its ideological vision of the future for the international order. Integrating China into the modern system has reduced the potential for such conflict. If China is to be further integrated into the international order, then there are certainly existing incentives that can both strengthen the legitimacy of the current world order to China and satisfy China's need for a significant role within it. By appealing to China's use of certain norms, such as multilateralism and sovereignty, the United States can do just that. But by constraining China's efforts to establish itself as a major state, and relegating it to the periphery of multi-lateral engagement, the United States will provide China and other developing states with an opportunity to develop an alternative to the Western norms on which the system relies. In this case, more so than during the post-War period, cooperation between the two largest states in the system will be the determinant of the success of the system itself. Discord between the United States and China can only result in unchecked expansion of interests and eventual major interstate war.

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II. POWER AND HIERARCHY

A. CHINA'S POWER

Theorists of many stripes have attempted to define power explicitly, and in this case a simple realist definition suffices. Mearsheimer says, "Although population size and wealth are essential ingredients of military power, I use wealth alone to measure potential power…because wealth incorporates both the demographic and the economic dimensions of power."[9] Gilpin suggests another manner by which to define power by looking at a state's military capabilities, it economy and its technologies.[10] Whether one uses economic variables or purely military ones, the value of assessing a state's power is clear. With a reliable assessment of power, one can make general predictions about how a state will behave. Waltz argues that:

> …[t]he economic, military, and other capabilities of nations cannot be sectored and separately weighed. States are not placed in the top rank because they excel in one way or another. Their rank depends on how they score on all of the following items: size of population and territory, resource endowment, economic capability, military strength, political stability and competence.[11]

More recently, Lampton broadly describes power as:

> …demonstrated when a leader or national leadership efficiently achieves goals throughout the entire cycle of policy making, from agenda setting to formulation, implementation, and subsequent adaptation. A powerful nation is one that authoritatively sets its own agenda as well as the international agenda over a broad range of issues, wins support for (or compliance with) its policies both internally and externally, influences the

[9] John J. Mearsheimer, *The Tragedy of Great Power Politics (*New York: WW Norton and Company, 2001), 61.

[10] Gilpin, 1981, 13.

[11] Kenneth N. Waltz, *Theory of International Politics* (New York: McGraw-Hill, Inc., 1979), 131.

> implementation process so that there is a high degree of correspondence between initial intentions and actual outcomes, and desists from pursuing policies that prove ineffective or counterproductive.[12]

No matter which approach one uses to analyze and assess a state's power, it is clear that it is neither an easy task, nor will any single answer satisfy all concerned. Recognizing this, population, energy production, GDP and military expenditure are four measures of power that generally describe the broader concepts that will be useful in assessing China's power in particular. As the country with the largest population in the world, China enjoys a position in a measure of power with which even the United States cannot compete. Such a large population is both positive and negative for China however. Positively speaking, with such a large population, China has an immense pool of relatively inexpensive labor with which to compete in the global economy. In addition, it can field a large standing military. Negatively however, such a large population makes intense demands on its infrastructure, energy resources and political and social system.

As the largest producer and user of energy, as well as the global hegemon, the United States represents a significant source of potential conflict for China as it seeks to secure energy resources throughout the world. As a rising state, China may seek to challenge the United States over access to energy resources. Measuring energy production also is a good indication of how well China as a whole translates its large population into productive capacity. GDP as well is useful for the same measure, but it does not represent a similar source of conflict with the hegemon.

As Mearsheimer says, "The ideal situation for any state is to experience sharp economic growth while its rivals' economies grow slowly or hardly at all."[13] At this point it cannot be said that China poses a threat to the predominance of the United States or that it will overtake the United States as the largest economy. But the data will show that

---

[12] David M. Lampton, *The Three Faces of Chinese Power* (Berkeley: University of California Press, 2008), 9.

[13] Mearsheimer, 2001, 144.

while China has experienced 30 years of average annual growth above 10 percent, the United States has grown at a slower pace, but that the overall size of its economy remains more than four times the size of China's.

The final measure of China's power may indicate more potential for conflict with the United States as the output of its economic productivity is focused into its military endeavors. As China has enjoyed economic success since its reforms in 1978, it has also enjoyed increased military spending, which in many cases has been focused on situations that involve the Taiwan Strait and deny access to the United States. China's military modernization, and its subsequent buildup of armaments across the Strait, is the best indications available that its military expenditures are being used to enhance its national power in a manner at odds with the predominance of the United States in the region.

Although there are shortcomings to using each of these measures of power, among the four of them, the best estimate of China's comprehensive national power can be gained, but their use here should not constrain other assessments of China's power using other methods or measures. The purpose of assessing China's power here is to compare it with other important states within the hierarchy of the international order to gain a clearer idea of where China stands with respect to the United States, Russia, Japan, India, the United Kingdom, and France. This will generally be considered the regional and global hierarchy of states of which China is an important member.

B. POPULATION

The following data is from the World Bank (WB) Key Development Data and Statistics, and while it is one of the best sources for such data, it does rely on country reporting, and so is subject to error. Nonetheless, for population, energy data and GDP, the data presented is as consistent across time as possible, given the limitations of the Chinese bureaucracy and the inclination to inflate such data.

Although China has placed severe restrictions on its population with regard to the number of children each family can have, China's population continues to grow. As Mearsheimer argues, "the size of a state's population and its wealth are the two most

important components for generating military might".[14] Though it is a big step from having simply a large population to having a strong military, the basic tools are present within such a large population to provide the state with many resources that it needs to field a strong and efficient military. During China's revolutionary periods from 1949-1978, it relied heavily on a high number of lightly equipped infantrymen to wage its "peoples' war" to a credible degree of success. Having a large population also contributed to a large population of scientists and technicians. Although the likelihood that this occurs is also affected by other factors such as investment in those sectors, a large population gives a state like China a tremendous advantage with regard to other states. Even today, China has leveraged its largest asset, its large population, to provide low-cost labor to the more developed countries in the world, and in doing so has enriched its national wealth. How China spends that accumulated savings is an issue of great concern.

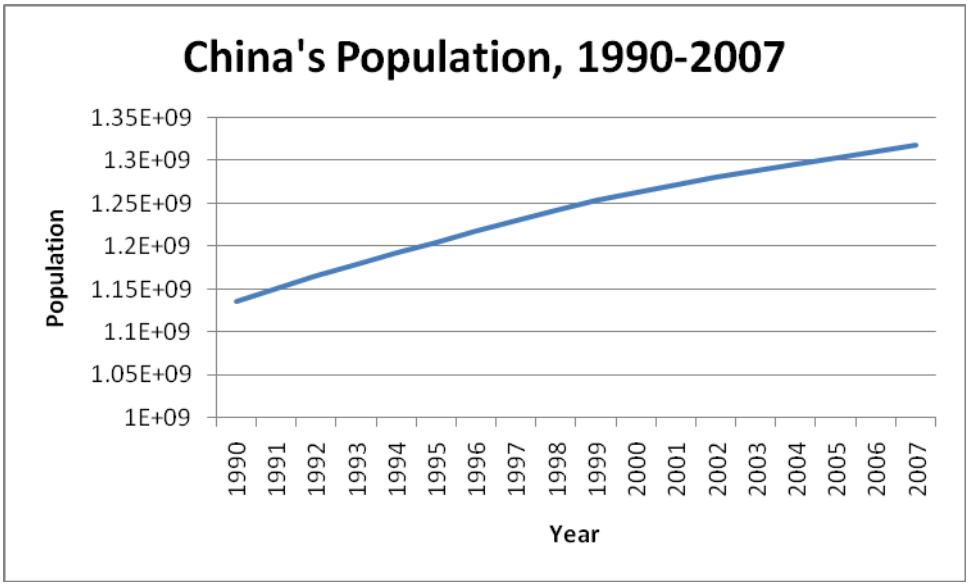

Figure 1. China's Population, 1990-2007, From: World Bank

[14] Mearsheimer, 2001, 60-61.

C. ENERGY

Given China's vast population, it is not surprising that it consumes a large amount of energy. However, since 2001 its energy consumption has increased tremendously, not coincidentally with its accession to the WTO. With its large population and its increasing access to global markets, China's need for energy will continue to increase as it maintains economic modernization as one of its primary national objectives. The potential for misperception by other states, as well as the potential for real conflict between the United States and China over this matter may increase if a level of cooperation is not achieved between the two powers. Throughout the world, China has sought to increase its access to energy supplies in areas that have traditionally been dominated, or at least influenced by the United States.[15] China's international engagement with regard to its quest for energy sources has spanned the spectrum of diplomatic means. It has increased its bilateral ties with countries in South America, a traditional U.S. sphere of influence, where countries such as Brazil and Mexico provide a key pillar of support to the United States, and it has undertaken similar efforts with resource-rich countries in Africa.[16] In Europe, China has engaged the EU in a strategic partnership to ensure its access to the European market in exchange for assurances to the Europeans that it will not take actions that might upset the global oil infrastructure.[17] China has used its energy resource needs to engage the international community in ways to promote its other foreign policy objectives, namely to draw power from the United States and to isolate Taiwan.

Just as China's large population translates in many ways into increased personnel available for military service, increased scientists and technicians, the implications of China's increased energy consumptions vary widely. Not only does it indicate an increased industrial capacity, but it also suggests a growing middle class whose demands for consumer goods such as small vehicles are indicative of a changing demographic.

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[15] David Zweig and Bi Jianhai, "China's Global Hunt for Energy," *Foreign Affairs*, Vol. 84, No. 5 (September/October 2005), 30.

[16] Daniel P. Mulholland, CRS Director, et al., *China's Foreign Policy and "Soft Power," South America, Asia, and Africa, Latin America and the Caribbean*, 16-28 and 105-125.

[17] Nicola Casarini, "The evolution of the EU-China relationship from constructive engagement to strategic partnership," *Occasional Paper*, No. 64 (October 2006), 11.

While increased energy consumption is certainly integrally related to China's increased industrialization and development, there are other factors that are affected by this, and must be taken into account when assessing the future of China's international behavior.

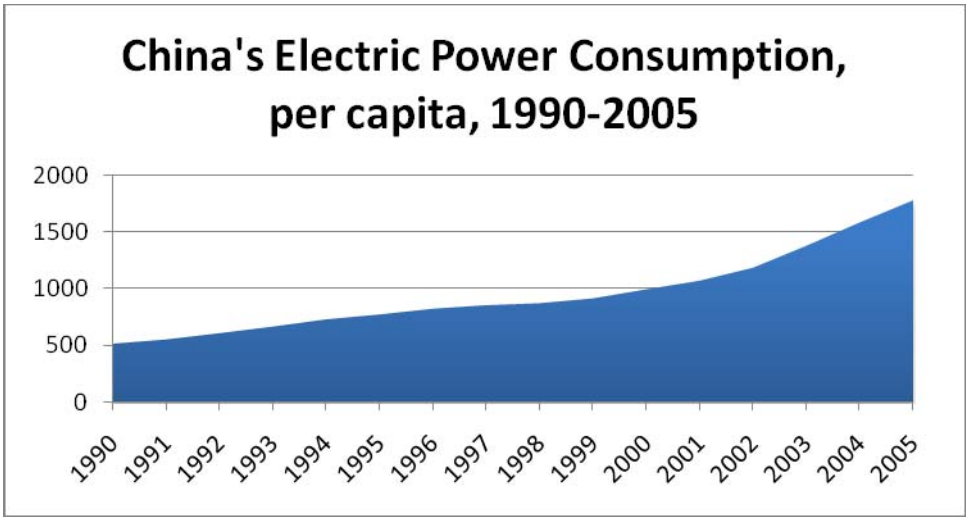

Figure 2. China's Electric Power Consumption, From: World Bank

D. PRODUCTIVITY

The following data was also obtained from the World Bank Key Development Data and Statistics database, and is therefore sufficiently reliable for the sake of comparison with other states. However, China's self-reported economic statistics have often been significantly different from those of outside sources.

The significance of China's increasing GDP, like the other measures of its power presented here, extends across the range of national interests. At the heart of China's government's concern is to provide the basic necessities for its 1.3 billion people. This alone places a great deal of pressure on the government and its bureaucratic infrastructure. Taking into account the necessary planning for the mid- and long-term future places additional strains that are manifest in several ways. As Figure 3 indicates, China's economic growth increased dramatically after its accession to the WTO in 2001. This fact alone presents China's leaders with a complex situation. On the one hand, WTO accession required that China increase its transparency in its trade regulations.

This conflicts with the desire of China's leadership to maintain its control over certain aspects of its economy and certain important information pertaining to it. On the other hand, the reforms required of China under the WTO accession requirements are likely to increase its economy's efficiency as a whole and lead it into a new era of Chinese innovation and leadership.

China's dramatic economic growth, the result of both domestic factors as well as its strengthened engagement with the global economy, is significant for the Asian region as well. China's embrace of globalization was not a foregone conclusion when Deng Xiaoping instituted reforms in 1978, and it was certainly not part of Mao Zedong's agenda from 1949 through 1976. Globalization is, like many other Western ideas, a facet of the international system that China has adopted and molded to suit its specific interests. China's rising economic strength therefore is the result of not only increased trade with the United States, but also the result of a range of outward behavior by China that has sought to engage the entire world. Some examples of this increased tendency to engage the rest of the world while reaping the benefits of globalization and economic integration are the World Trade Organization, the Asia Pacific Economic Forum (APEC), the Asia-Europe Meeting (ASEM), the Association of Southeast Asian Nations plus one and three (APO and APT) and many bilateral arrangements with countries throughout the world that benefit China's economically.

Most significant about China's rising GDP is the relationship that rising productivity may have on China's defense spending and overall military posture. Most major theories closely tie economic wealth with military power, and for good reason. At its simplest, the more money that a state has, the more that it can devote to its defense or military without sacrificing expenditure on other societal needs. Gilpin acknowledges "[t]he rise and decline of dominant states and empires are largely functions of the generation and then eventual dissipation of this economic surplus."[18] Although China is not as developed as the United States or Western Europe, the trends in its long-term economic growth suggest that its economic surplus will continue to increase and that,

[18] Gilpin, 1981, 106.

further, the fungibility of that wealth will also increase as China devotes more resources to research and development, gains experience in industrial best practices, and applies those gains to its military applications.

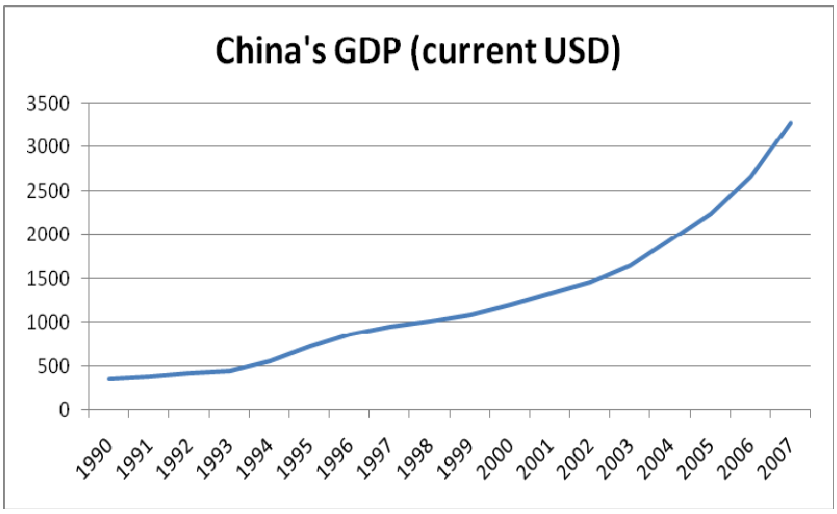

Figure 3. China's GDP, From: World Bank

E. MILITARY SPENDING

From 1990 through 2007, during which time China's economic productivity increased, there is a corresponding increase in military expenditure. This is significant in the case of China for several reasons. What began in Japan and was successfully implemented in several other East Asian states[19] seems to have found traction in yet another Asian state. In a region of the world where almost all state considerations have an element of strategic thought to them, an increase in China's military expenditure will have significant repercussions throughout the region. China's increased military expenditures have resulted in China's increased ability to conduct military operations along its periphery and increasingly throughout the Asian region. By acquiring foreign military technology where it cannot develop it indigenously, China's has conducted a broad modernization of its military to increase its capability and capacity to use force in

[19] The four East Asian Dragons are South Korea, Taiwan, Singapore and Hong Kong. All four implemented variations of what Chalmers Johnson referred to as the East Asian Developmental Model based on the transition from an import substitution economy to an export led growth economy.

such situations as Taiwan, the SCS and potentially in the Indian Ocean. Even though military modernization had the lowest priority in Deng's "Four Modernizations," it now places China among the ranks of the major states. China's economic modernization has resulted in a rise in most measures of national power, here assessed by looking at population, energy consumption, productivity and military expenditure. These measures suggest that China's overall power has increased and as a result of that, indicates that China's place within the hierarchy of major states has changed dramatically since its founding in 1949.

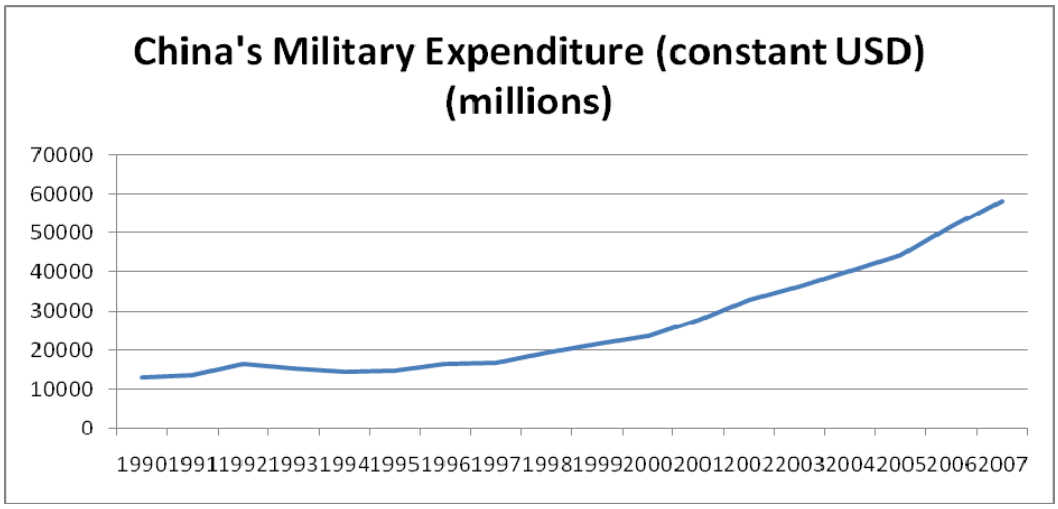

Figure 4. China's Military Expenditure, 1990-2007, From: SIPRI

F. HIERARCHY

A realist would argue that there is in fact no hierarchy in international relations, but instead that the international environment is anarchical. Waltz would argue further that there is only the distribution of capabilities to distinguish among the various powers.[20] Mearsheimer would state further that "great powers seek to maximize their share of world power," thus implying a zero-sum logic to the international order. Gilpin would take this analysis one step further and suggest that as disequilibrium is increased in the international system, the hegemon can be challenged as a rising state increases its

[20] Kenneth N. Waltz, *Theory of International Politics* (New York: McGraw-Hill, Inc., 1979), 97-99.

share of power. Lemke argues that states "are differentiated by the amount of power they possess. The more powerful are located at the top of the hierarchy and are able to make demands and set rules that are heeded by countries with less power, located at the bottom of the hierarchy."[21] The progression suggested here is that a simple realist explanation of power in the international order is insufficient to explain the ordering of power that is evident among the major states today. The current position of the United States as a superpower able to influence countries throughout the world across the range of instruments of national power is a relatively new phenomenon and should not be expected to last forever. However, a hierarchical structure is more useful to analyze the relationships between the United States and the states that fall below it within that hierarchy. A power transition explanation, of course, relies on the existence of a hegemon within a hierarchical structure, but that is not a limitation. In fact, it provides a stronger analytical tool for measuring the power of other states and determining when and if a particular states will approach, reach or exceed power parity with the hegemon. Below is an analysis of the measures of power among the major states in the international and regional hierarchies being considered.

G. POPULATION WITHIN THE HIERARCHY

China's large population size is essential for its great power status because without it, it would not have the population base to create its economic wealth and it would subsequently be unable to field a large military, a critical necessity for a land power such as China. In relation to other states in the region, China is closely matched only by India, and with respect to Japan, the only historical competitor that might pose a threat to it, China outnumbers by almost an order of magnitude. As for the other states that make up the permanent members of the UNSC, China has a clear advantage overall, including the United States; with 300 million people, the U.S. is the third most populous state in the world, but is still dwarfed by China in this regard.

[21] Douglas Lemke, "Small States and War: An Expansion of Power Transition Theory," *Parity and War: Evaluations and Extensions of The War Ledger*, eds. Jacek Kugler and Douglas Lemke (Ann Arbor: The University of Michigan Press, 1996), 79.

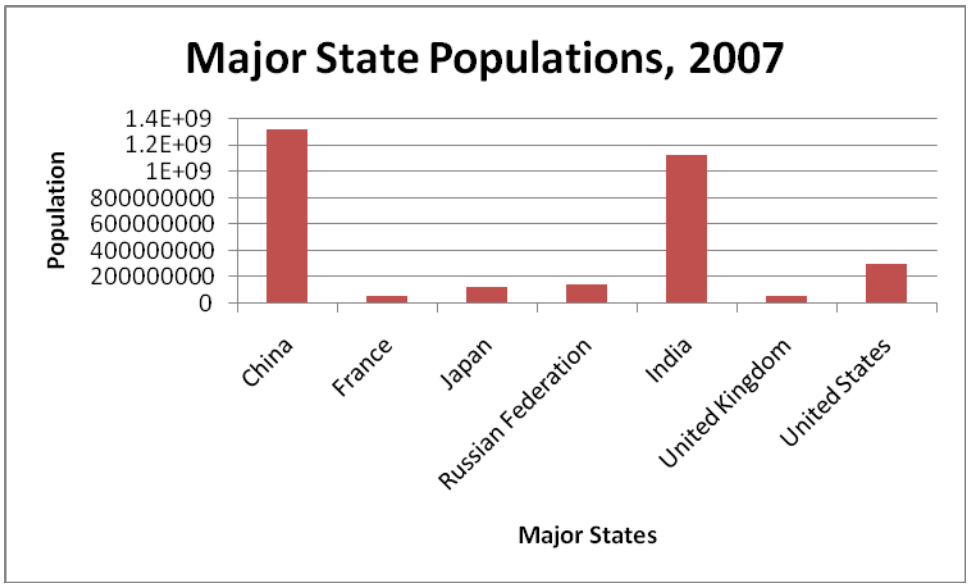

Figure 5. Major State Populations, From: World Bank

H. ENERGY CONSUMPTION WITHIN THE HIERARCHY

After considering China's population, its strength with regard to the other states on the UNSC and India and Japan is nowhere near the strength suggested by its population. Electric power consumption is clearly higher among the four other permanent member states of the UNSC and Japan. It is significant that China and India's per capita electric power consumption is vastly smaller that the other states because it highlights the ill effects of those two countries' large populations on their output per capita. Whereas a high population alone might contribute to an overall high number of educated technicians, scientists and professors, lacking the ability to train those important personnel, as well as the military, will yield an undertrained and underequipped military, as one factor. Other outcomes of this low ranking would include higher infant mortality as a result of inadequate training and medical equipment for medical facilities and lower quality light and heavy manufactured goods as a result of poor training for workers and inadequate resources.

Another significant point that this ranking illustrates is the vast difference between China and the United States, the presumed hegemon in the hierarchy of states. The United States, whose population is significantly less than China's, still maintains a predominant lead over China in the category of electric power consumption, which bestows upon it a decisive advantage. Across the range of professionally trained personnel, the United States can provide its military officers, professors, scientists and technicians with a vastly superior range of resources because of the availability resources.

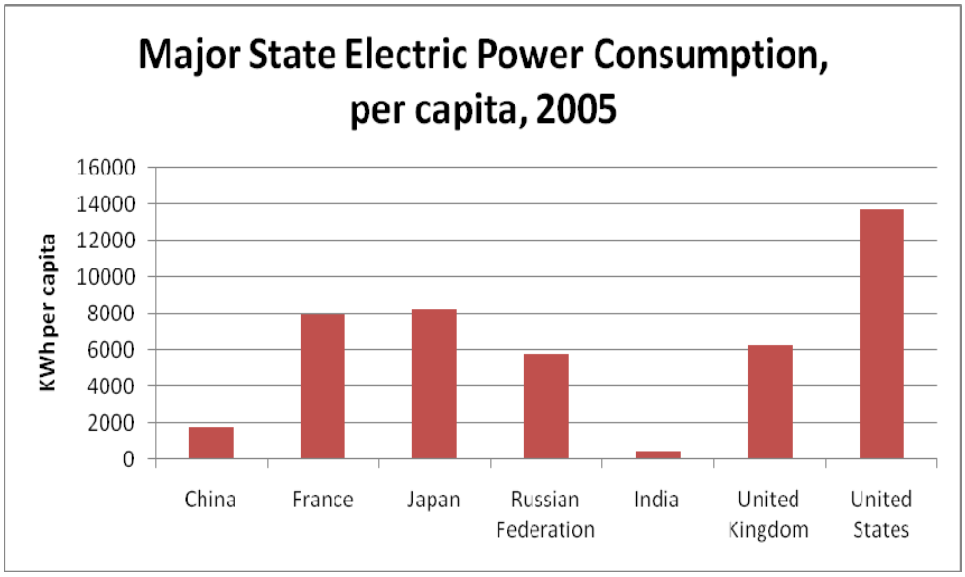

Figure 6. Major State Electric Power Consumption, 2005, From: World Bank

I. PRODUCTIVITY WITHIN THE HIERARCHY

The vast scale of America's economy yields for it a tremendous advantage over all other states in the international system. Not only does its advantage in economic productivity allow it to outspend the rest of the world on defense, but it allows the United States to create the institutions and regimes that the rest of the world uses to interact with each other. The establishment of the UN, the WB, the International Monetary Fund (IMF) and the World Trade Organization all reflect the ability of the United States to fund expensive undertakings that in the long-term reduce the transaction costs between states and promulgate liberal norms throughout the developed and developing worlds. China does not have this ability to nearly the same extent, although there does appear to

be at least a short- to mid-term shift in economic productivity. While it is not a zero-sum situation in which China gains in economic production at the expense of the United States, although this is almost certainly true in some situations, China is gaining in economic productivity overall. This has had a dramatic effect on economies throughout the world, especially in the United States.

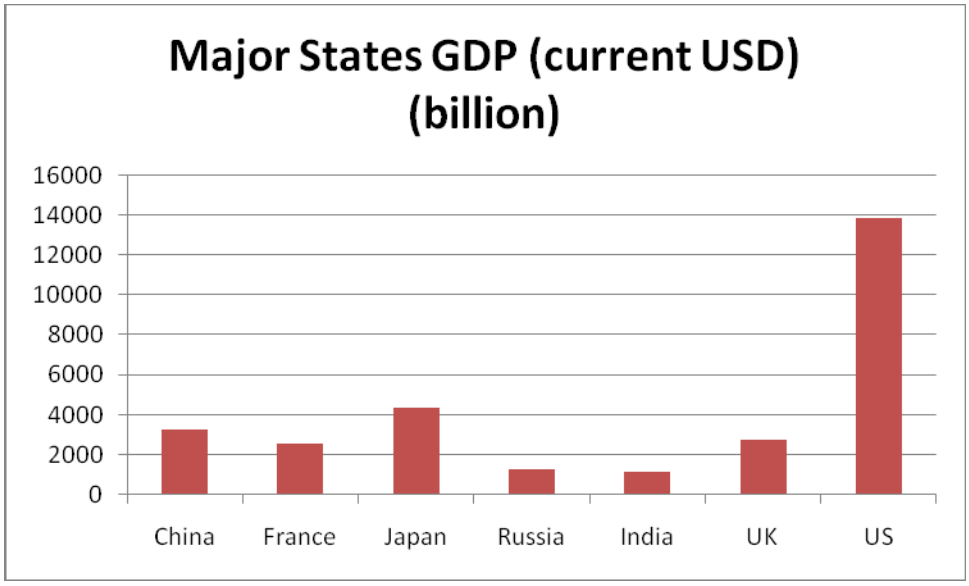

Figure 7. Major State GDPs, 2007, From: World Bank

J. GDP GROWTH RATES WITHIN THE HIERARCHY

Certainly China's year-to-year growth is striking, even when taking into account the likelihood that the state-reported numbers are inflated to some extent. Nevertheless, China's growth rate has far surpassed that of the United States and most other countries, although India of recent is not far behind. This data from the WB is based on annual averages and is therefore consistent across each state. There is a broad significance of China's tremendous economic growth. Not only has China been able to use its vast supply of national wealth as leverage when dealing with just about every state and region in the world, but it has done so in a manner that attempts to marginalize, or at least counter, many Western-promulgated international norms. GDP growth rate is relevant for analyses of China because if it continues as it has and the United States maintains its

current low level, other factors being held constant, eventually China's economy will be larger than that of the United States. That would allow China to demand significantly more benefits from the international system, with the potential to undermine Washington's influence and supplant Western norms with its own new foundational assumptions regarding international politics.

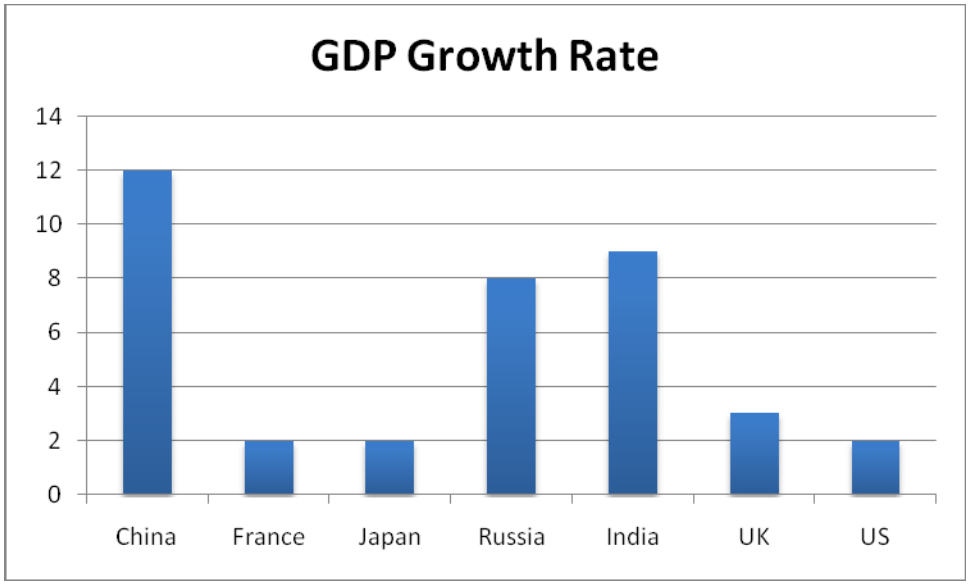

Figure 8. Major State GDP Growth, 2007, From: World Bank

K. MILITARY EXPENDITURE WITHIN THE HIERARCHY

Two points are elucidated by a comparison of the various military expenditures by the major powers in the most recent year for which information is available. Because of its dominant economy, the United States was able to spend 43 percent as a percentage of world military expenditure in 2007.[22] China has neither spent nearly as much as the United States, nor has it increased its defense spending as a percentage of GDP. Today, China spends 2.1 percent of its GDP on military expenditures and its average since 1989 is 2.02 percent. However, China's spending on military related expenses has, of course, increased in absolute terms as its real GDP has increased since it began reforms in 1978.

[22] Center for Arms Control and Non-Proliferation, accessed March 29, 2009,

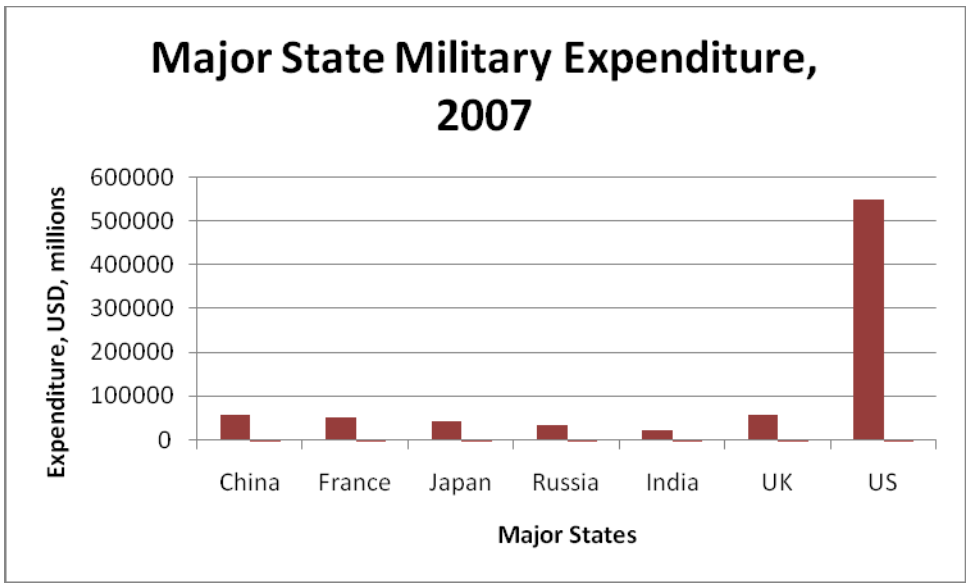

Figure 9. Major State Military Expenditures, 2007, From: SIPRI

The risk then is that because China has increased its spending on defense in real terms, it may at some point in the future be able to parlay its modernized military into a challenge to the United States for control of the Asian region at first, and potentially at key places on the globe, such as transit points for oil or historical points of conflict such as Taiwan. More than a simple comparison of GDP or electric consumption, military expenditure is important because it reflects both a trend and a decision on the part of the state's political and military elite to pursue certain objectives. Werner and Kugler refer to this dynamic from the reference of both the system hegemon and a potential rising challenger: "The military buildup thus reflects the decision maker's choice to either challenge the system or to defend the status quo…transition between status quo states will not erupt."[23]

While China has made consistent efforts to portray its military expenditure as part of an overall effort of modernization, a classic security dilemma becomes likely as the United States seeks to maintain its influence over global affairs while legitimate challengers such as China seek to increase their access to the benefits of the international

[23] Suzanne Werner and Jacek Kugler, "Power Transitions and Military Buildups: Resolving the Relationship between Arms Buildups and War," *Parity and War: Evaluations and Extensions of The War Ledger*, eds. Jacek Kugler and Douglas Lemke (Ann Arbor: The University of Michigan Press, 1996), 191.

order, especially when given their own perceived historical position as a great power. There is a potential for conflict if China were to be satisfied only with an increased level of influence in the Asia region to the exclusion of the United States. As Christensen argues, "China can pose major problems for American security interests, and especially for Taiwan, without the slightest pretense of national military power or technology."[24] This observation reflects a significant problem for the Sino-U.S. relationship because from China's perspective, a strong military reflects China's internal strength, particularly with respect to its historical weakness in the 20th century. As China has sought to professionalize and modernize its military to reflect its growing regional and global role, some see this behavior as a potential threat to interests. If realist notions of interest and power dominate the future U.S.-China relationship, then the two states will come into contact in the international environment over matters that are of equal value to both states, such as access to energy resources and other natural resources; influence in the behavior and relations of other states, ideological disputes touching on the proper direction of international relations; norms that govern the relations among states and other areas where powerful states contend.

[24] Thomas J. Christensen, "Posing Problems without Catching Up: China's Rise and Challenges for U.S. Security Policy," *International Security*, Vol. 25, No. 4 (Spring 2001), 7.

Figure 10. China's Military Expenditure as a percentage of GDP, 1989-2006, From: SIPRI.

L. CONCLUSION

Taken together, these data describe an international order that is clearly dominated by the United States. However, China's economic growth places it in contention for great power status, and in fact this was anecdotally acknowledged with its accession to the WTO. While China could pursue a complete military modernization by which it might attempt to surpass the United States in actual military power, it is far more likely that China will pursue a regionally-dominated policy by which China can extend its influence over its historical sphere and guarantee its sovereignty against most threats that exist to it. It will certainly pursue the capability to resolve the Taiwan dispute by force if necessary, which would present a high cost to the United States, itself a deterrent against American intervention.

China's population, the success of its economic reforms, its ongoing military transformation and the nature of the international hierarchy of states are critical variables in assessing China's satisfaction overall. Integration and cooperation among the major states, but particularly between the United States and China, will decrease the likelihood

of conflict. Avoiding such interstate conflict is also contingent on compromise among the powers as interests and capabilities come into contact in the global order. International norms, the global economic environment, military relations, territorial boundaries and ideological opposition all provide the forum for either cooperation or confrontation. The remainder of this study uses this assessment of power and hierarchy to determine the relevance of each for China's satisfaction and the stability of the system in general.

III. INTERNATIONAL NORMS

A. CHINA'S INSTITUTIONALISM

China's interaction with international organizations extends to all facets of its interaction in the international order. Norms established by the United States after World War II and cemented after the end of the Cold War percolate throughout the international order and affect or govern the way states, rogue or otherwise, behave towards one another. Whether states openly flaunt them such as North Korea has done with regard to its nuclear armaments, surreptitiously undermined them, such France and Germany did by negotiating contracts with Iraq contrary to UN sanctions, or openly embraced them, such as China appears to have done with its accession to the WTO, states acknowledge international norms and act in reference to them, whether or not they agree with them.[25] Just as China has used global, regional, informal and bilateral forums to pursue its overall foreign policy, it also uses economic forums—the WTO, the Asia-Pacific Economic Cooperation (APEC), track 2 and bilateral negotiations—to pursue its economic modernization goals, while at the same time bolstering its foreign policy objectives of modernization, reunification, and security through multi-polarity. The extent to which each of these forums allows China to pursue and achieve these objectives is determinative of its satisfaction with each level of engagement, as well as its overall satisfaction with the international order.

The international order established after World War II, as Ikenberry notes, sought:

> …[t]o build order around institutionalized political relations among integrated market democracies. America's agenda for reopening the world economy and integrating the major regions of the world was not simply an inspiration of businessmen and economists. There have always been geopolitical goals as well.[26]

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[25] Robert O. Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy* (Princeton: Princeton University Press, 2005), 64.

[26] G. John Ikenberry, "Power and Liberal Order: America's Postwar World Order in Transition," *International Relations of the Asia Pacific*, Vol. 5, No. 2 (2005), 138.

An assessment of current international relations makes clear that this effort by the United States and its allies was largely successful. International relations today is flush with international organizations that have had profound impacts on the way that states interact, particularly by the proliferation of norms that govern their behavior. The UN is an embodiment of a combination of realist and liberalist perceptions that the great powers should make the critical decisions regarding the international order, but that cooperation through institutionalization should guide international relations. The WTO is another example of global multilateralism that promotes the values that have made the current world order as stable as it is. By expanding liberalized markets, transparency in the marketplace and rule of law throughout the world, the American-led order has succeeded to a great extent in giving states equal access to the system, no matter how small. As Ikenberry goes on to conclude, "such a system would ensure that the democratic great powers would not go back to the dangerous game of strategic rivalry and balance of power politics."[27]

The SCS represents an issue in which China has employed the spectrum of institutions available to it in order to pursue its objectives there. The SCS combines issues of territorial sovereignty, the maritime domain, energy and security issues, multilateral cooperation, all with the main focus here, China's rising power and subsequent satisfaction. Johnston looks at such participation in international institutions as an indicator of the likelihood that a state will attempt to redefine the status quo according to its increasing interests. He looks at participation, rule-breaking and rule-changing behavior in particular to assess whether China is dissatisfied with the rules of the game.[28] Johnston concludes that in general, China risks becoming involved in a security dilemma if it does not account for other interests in the region, particularly the United States. But in that respect, the SCS is an important case study for addressing China's participation in international regimes, in this case, the UN Convention on the Law of the Sea (UNCLOS), precisely because China is a signatory to it, while the United

[27] Ikenberry, 2005, 139.

[28] Alastair Iain Johnston, "Is China a Status Quo Power?" *International Security*, Vol. 27, No. 4 (Spring 2003), 11.

States is not. From that perspective, and according to Johnston, China can play a more significant role in defining the limits of its claims according to UNCLOS than the United States can, which has not ratified it. Although UNCLOS provides no mechanism for resolving questions of territorial sovereignty, that suits China's purpose as well, because, it will be shown, China is more satisfied to resolve such issues at the regional or bilateral level, where it has greater leverage and can avoid the influence of the United States.

The SCS is particularly important in assessing China's satisfaction with the international order because it addresses issues of territorial disputes, yet avoids the symbolism of Taiwan, which for China is valued far more than it is worth in economic or territorial terms. The SCS has the potential to provide China with a stable supply of energy resources and which is much closer than the Persian Gulf. In addition to the energy resources that China might exploit there, China has made historical claims to the Paracel and Spratly Islands, which do figure into China's leaders' considerations of reunification, but with far less importance than Taiwan. The combination of energy resources and national reunification pose a significant strategic challenge for China's leadership and so they have focused on it as one factor in China's emergence. If China is assessed as satisfied with respect to the issues in the SCS, which combines many salient issues found elsewhere in China's foreign policy, then the SCS can be used to assess China's future behavior in other areas where similar issues arise.

If China is to be assessed as satisfied with the regime of international norms, such as respect for sovereignty, then this must be done by establishing several of China's positions. First and foremost, China's foreign policy objectives must be identified prior to ascertaining whether China is satisfied with its membership in various international organizations. Once China's foreign policy objectives have been identified, it must be made clear how China uses different international organizations to pursue those goals. Having established how China pursues its foreign policy objectives in the SCS within the framework of various multilateral institutions, it will then become possible to assess whether or not China does in fact achieve those goals, or whether certain factors or states stand in the way of China's objectives. Based on the extent to which China is able to achieve its foreign policy objectives in the SCS within the various levels of multilateral,

international organizations, it will then be clearer as to whether China is satisfied with the norms governing international organizations and behavior. China's satisfaction here is derived independently of the institutions in which it has pursued its objectives; however it has chosen to pursue various objectives in different organizations based on the norms that those institutions propound. For example, China is more satisfied to pursue its maritime claims in the SCS within the framework of ASEAN as opposed to the UN because ASEAN is not likely to insist on legalistic agreements. This is seen in the current arrangements whereby territorial claims have been put aside in favor of joint development. If China were to pursue its claims in the SCS solely within the framework of the UN, it would be bound by stipulations in UNCLOS, but would have to contend with those formal regulations as well as the influence of the United States, neither of which are necessarily conducive to its foreign policy objectives.

Certainly China has many of the same foreign policy interests of other states. In an anarchic, self-help environment, of course China must act in its own national self-interest.[29] However, China's unique historical experience has led it to adopt a foreign policy stance that is particular to China. Perceiving that it had been exploited by the Western, colonial powers in the 19th and early 20th century, China is particularly sensitive to issues concerned with its sovereignty and external interference in its affairs. China professes its foreign policy objective succinctly by stating

> China unswervingly pursues an independent foreign policy of peace. The fundamental goals of this policy are to preserve China's independence, sovereignty and territorial integrity, create a favorable international environment for China's reform and opening up and modernization construction, maintain world peace and propel common development.[30]

Though still stemming from the negative influence of foreigners on China's sovereignty, Taiwan, Tibet and Xianjiang represent China's explicit determination to reunify the motherland under the heading of territorial integrity. The issues in the SCS on the other hand have much less to do with China's "century of humiliation" and more

[29] Kenneth N. Waltz, *Theory of International Politics* (Berkeley: McGraw-Hill, Inc., 1979).

[30] China's Independent Foreign Policy of Peace, http://www.fmprc.gov.cn/eng/wjdt/wjzc/t24881.htm, accessed March 21, 2009.

to do with China's historical relationship with other states bordering the SCS and its use of the range of international organizations to achieve its objectives there. As stated above, China wishes to create the necessary space or breathing room in the international arena to allow for China's modernization.[31] To this end, China has promoted a multi-polar world order that does not allow any single state to dominate it and in which all states have an equal say in the international environment.[32]

B. GLOBAL MULTILATERAL

Given China's sensitivity to issues concerning its sovereignty and any threat to it, it would seem unlikely that China would submit to any international organization unless it was assured that no such violation of its sovereignty would occur. And yet amid tremendous domestic upheaval, it joined the UN in 1971 and began the process of reengagement with the international community following its communist revolution in 1949. China has good reason though to pursue its foreign policies within the framework of the UN. Its permanent seat on the UN Security Council (UNSC) and its veto power, confer upon it significant leverage in deciding important issues that may directly or indirectly affect its sovereignty and independence. By abstaining in the vote over UNSC Resolution 678, the decision to use force against Iraq in 1991, China did not stand in the way of a broader international initiative to remove Saddam Hussein from Kuwait, but it also maintained its allegiance to its stance that sovereignty should not be violated.

China's membership in the UN has given it certain benefits that suit China's foreign policy requirements and objectives. UNCLOS provides its signatories access to certain benefits when dealing with maritime boundaries, particularly the dispute settlement mechanism (DSM) and the flexible nature by which it can be applied. As Nguyen notes, the DSM "provide[s] a broad legal framework for determining the legal status of all ocean spaces and for governing the legal regime of all major uses of the sea

[31] In 1964, Deng Xiaoping established the "four modernizations" in agriculture, industry, science and technology and national defense. Kenneth Lieberthal, *Governing China: From Revolution Through Reform* (New York: WW Norton and Company, 2004), 134.

[32] China's Position on Establishing a New International Political and Economic Order, Ministry of Foreign Affairs of the People's Republic of China website, http://www.fmprc.gov.cn/eng/wjdt/wjzc/t24883.htm, accessed March 21, 2009.

and their natural resources.[33] UNCLOS also provides for compulsory third party arbitration, but does not provide a mechanism whereby sovereignty issues are subject to such procedure.[34] From a multilateral perspective, China is able to pursue its foreign policy objectives using UNCLOS, particularly with respect to China's maritime claims in the SCS, while tabling issues of sovereignty to be dealt with on a regional basis with ASEAN or bilaterally with individual states. While UNCLOS defines the limits on state maritime domain, China has used it in combination with its increasing claim strength to the Paracel and Spratly Islands to extend its sovereignty claims over much of the SCS in order to gain the benefits that recognized control would confer upon China.

Setting aside the fact that China has made historical claims over most of the SCS, it has sought to use the definitions of territorial waters and of an EEZ to extend its claims. Cooperation with the norms established by UNCLOS provides China with direct access to international organizations that can adjudicate such claims, potentially in China's favor. Hempson-Jones lays out the rules for such cooperation as, "first, relative gains should be pursued over absolute gains, and second, cooperation must not be found to undermine state sovereignty or greatly constrict China's autonomy and freedom of action."[35] The latter of these two guidelines is a fairly consistent concern of any state when considering the binding nature of such an international treaty, but the former is not so clear. In the SCS, China pursues relative gains, as opposed to absolute gains, by satisfying its need to define its maritime domain, while setting aside its territorial claims for another forum. In fact, UNCLOS, suits China's desire to stake claims in the SCS without having to discuss the issue of territorial sovereignty at all. As will be seen, China would rather avoid discussing sovereignty issues at all on such a global stage, and instead resolve them through regional or bilateral forums.

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[33] Dong Manh Nguyen, "Settlement of Disputes Under the 1982 United Nations Convention on the Law of the Sea: The Case of the South China Sea Dispute," *University of Queensland Law Journal*, Vol. 25, No. 1 (2006), 162

[34] Ibid, 167.

[35] Justin S. Hempson-Jones, "The Evolution of China's Engagement With International Governmental Organizations: Toward a Liberal Foreign Policy?" *Asian Survey*, Vol. 45, No. 5 (September/October 2005), 708.

C. REGIONAL MULTILATERAL

At the regional level, ASEAN is an organization that stands out as particularly conducive to China's ability to achieve its foreign policy objectives. ASEAN, and subsequently APT, is an organization that allows China to leverage its regional strength in a manner that focuses on its many similarities with other Asian states while avoiding what it perceives as interference from the United States. ASEAN itself was created in 1967 without the direct influence of China, though due in part to the fear that China might present a threat. It was founded on five principles adopted within the Treaty of Amity and Cooperation. They are

> [m]utual respect for the independence, sovereignty, equality, territorial integrity, and national identity of all nations; the right of every State to lead its national existence free from external interference, subversion or coercion; non-interference in the internal affairs of one another; settlement of differences or disputes by peaceful manner; renunciation of the threat of use of force; and effective cooperation among themselves.[36]

APT emerged after the Asian Financial Crisis (AFC) as a result of positive perceptions among ASEAN nations that cooperation with China was conducive to regional stability. It is not surprising that China seeks to integrate itself into this organization given the overlap in the norms that both seek to instill in its membership. Sovereignty is the key issue for China in many of its relationships and with regard to the ASEAN nations,[37] it is particularly salient with regard to the territorial disputes in the SCS because the claims being made there are based on the establishment of sovereignty over otherwise, insignificant islands and reefs.

Although China pursues many of its claims in the SCS through the mechanisms of the UN and UNCLOS, it is further able to advance its foreign policy interests in this region through the APT arrangement, and it does so for different reasons than it does

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[36] Treaty of Amity and Cooperation in Southeast Asia (TAC), http://www.aseansec.org/64.htm, , accessed March 21, 2009. The language used in the TAC is similar to the Five Principles of Peaceful Coexistence, agreed to by China, India and Myanmar in a joint statement in 1954. They are: mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit and peaceful coexistence.

[37] Originally established in 1967 by Indonesia, Malaysia, Philippines, Singapore and Thailand; Brunei (1984); Vietnam (1995); Laos and Myanmar (1997); Cambodia (1999).

through the more formal arrangements in the UN. It is precisely because of the lack of formality and norm of consensus found in APT that China uses this forum *in addition to* the other forms of multilateralism available to it. Referring to China's stated foreign policy, engagement in APT not only gives it access to a forum in which it can address its territorial concerns from a position of strength, without concern for the interference of the United States, but by engaging ASEAN as a bloc, it creates another pole in the region, and the world, that can act as a balancer of American power. As Jones and Smith point out:

> Discourse conducted according to the nonlegalistic, consensus-oriented ASEAN way that represented a distinctive alternative to European styles of diplomacy would forge an ideational alternative. Furthermore China's growing enthusiasm for normalizing regional relations through the ARF and APT processes gave evidentiary support to the transformative possibilities of both the norms and the distinctive diplomatic culture pervading this widening, distinctively non-Western, regional grouping.[38]

This focus on symbolic process as opposed to substantive progress advances China's policy of promoting a new political and economic international order based on multi-polarity by promoting a significantly contrasting alternative to the perceived unipolar system dominated by the United States and potentially threatening to China.

D. INFORMAL MULTILATERAL

Track 2 diplomacy as practiced by China and within the regional East Asian framework takes advantage of the preference of many states there for informal, process-centric (as opposed to substance) institutions.[39] At the same time, it has provided a forum for the discussion of issues related to the SCS, which is important because of the historical tendency of China to use force to resolve issues related to its sovereignty and territorial integrity. In fifteen militarized interstate disputes in which China took part from 1992 to 2001, eight were for reasons of territory and seven were for reasons related

[38] David Martin Jones and Michael L.R. Smith, "Making Process, Not Progress: ASEAN and the Evolving East Asian Regional Order," *International Security*, Vol. 32, No. 1 (Summer 2007), 152-153.

[39] Ibid, 155.

to policy.[40] Using ASEAN as the foundation, with its reliance on the sanctity of sovereignty and rejection of the use of force, China has used track 2 diplomacy between those states with claims in the SCS as an additional means to pursue its foreign policy objectives there, even though there is questionable historical basis for those claims and they conflict directly with other states in the region.[41] Again, China enjoys a strong bargaining position when conducting negotiations, even in an informal arrangement such as this. Academics, journalists and even governmental officials acting in an unofficial capacity cannot fail to understand these issues in the broader context of China's entire relationship with the various states involved. China's use of track 2 diplomacy in the SCS disputes is significant because it provides China with yet another forum to promote its objectives while doing so in an informal manner, without the perceived interference of the United States. These fulfill most of the conditions that China seeks while pursuing its foreign policy.

E. BILATERAL

China enjoys the greatest strength in negotiating when it does so bilaterally, because it can address specific concerns relevant to its foreign policy without risk of being severely constrained or linked to other issues, such as human rights or intellectual property rights (IPR). On the other hand, China risks being perceived as threatening to its neighbors if it is particularly aggressive in its pursuit of its foreign policy objectives through bilateral negotiations, especially in light of commitments of the United States to such states as the Philippines.[42] With regard to the SCS, China's preference for avoiding

[40] Ghosn, Faten, Glenn Palmer, and Stuart Bremer. 2004. "The MID3 Data Set, 1993–2001: Procedures, Coding Rules, and Description." Conflict Management and Peace Science 21:133-154.

[41] Leszek Buszynski and Iskandar Sazlan, "Maritime Claims and Energy Cooperation in the South China Sea," *Contemporary Southeast Asia*, Vol. 29, No. 1 (April 2007), 144-145.

[42] Goldstein notes several of the states that might be at risk in the face of a retrenchment of American policy in Asia and rising powers such as China and India. He states: "Those resentful or fearful of U.S. dominance in the unipolar era strive to hasten the change, not only by cultivating their own capabilities but also by diplomacy that encourages local actors and the United States to believe that the transition will be a smooth process that does not jeopardize their vital interests…China has mad concerted efforts of this sort—trying to reassure others that it is not a growing power against which others need to balance by relying on an awesome American counterweight. Avery Goldstein, "Balance-of-Power Politics: Consequences for Asian Security Order," *Asian Security Order: Instrumental and Normative Features*, ed., Muthiah Alagappa (Stanford: Stanford University Press, 2003), 175-176.

discussion of sovereignty issues, or at least reserving the right to discuss it only in its own terms, conflicts with the international norms governing territorial disputes by regarding it solely as an internal issue. This does not conform to international expectations that disputes be settled in a multilateral manner, and by describing such disputes as internal, China assumes a stronger negotiating position, but without due consideration of other states' claims. While China might pursue bilateral agreements with each of the other states with claims in the SCS, it also argues that, having claimed sovereignty over the whole of the SCS, it need not address such issues at all as they are internal matters for China to resolve. This lack of cooperation by China represents a distinct point of departure for China's foreign policy from the norms of multilateral cooperation. A positive sign has been that China's willingness to sign the Treaty of Amity and Cooperation and Declaration on the Conduct of Parties in the South China Sea, both in 2002. A negative indication of the SCS example is that it is only a close second in importance to the Taiwan issue and China has not renounced the use of force there. Given China's increasing pragmatism in international affairs, and its historical tendency to use force in territorial issues, it would not be surprising if China reverted to force in the face of weakening claim strength in the SCS.

F. SATISFACTION

Within the framework of the UN and UNCLOS, China relies to a certain extent on the provisions of international law and for this reason can be considered somewhat satisfied with its ability to pursue its foreign policy objectives in the SCS. However, China's reliance on international laws such as UNCLOS conflicts with its other means of pursuing its claims. China has relied on UNCLOS and its accompanying definitions, such as territorial waters and EEZ to establish its continental shelf and then make claims about its EEZ based on that baseline. Not only does it seem that China's interpretation of an EEZ conflicts with Western interpretations of this, but reliance on that standard would seem to preclude the use of historical claims to assert sovereignty. Further, when China extracts the entire issue from any discussion by claiming absolute sovereignty over the whole area and relegating it to an internal issue, the international community cannot but

be concerned about China's intentions. If China were consistently cooperative in such matters, it would be evident in a single claim based on one set of standards such as UNCLOS. But by relying on separate sources to make self-serving claims, China undermines its own credibility in the international area, especially when dealing with the legalistic expectations of the United States. If it is to be seen as cooperative with international law and norms, it should do so more consistently and avoid obfuscating the issue by making coincidental claims of historical and absolute sovereignty. Nonetheless, by keeping open the potential for advancement of its interests in each of these arenas, China increases the likelihood that it will obtain its ultimate foreign policy objectives. If, for example, China is able to increase its claims in the SCS based on the definitions in UNCLOS, while at the same time pursuing peaceful resolutions with ASEAN member states, China can strengthen its perceived commitment to regional cooperation and gain access to energy resources. This is likely to result in an overall high level of satisfaction with the use of multi-lateral international organizations such as the UN to resolve its claims in the SCS.

China's use of regional, multilateral international organizations such as ASEAN to address its foreign policy objectives is perhaps the most illustrative of its overall attempt to create space for China to grow, assert its perceived historical claims to sovereignty over the SCS and strengthen aspects of multi-polarity in the region and on a global scale. These three objectives are all met by its engagement with ASEAN to resolve the conflicting claims made to the islands in the SCS as well as the rights to extract the natural resources there. As regards those issues, China is satisfied with both the process as well as the outcome. China is even more satisfied that it is able to engage with an increasingly significant organization such as ASEAN on terms that reflect an alternative to Western-dominated, legalistic institutions. The ASEAN Way reflects a preference for consensus and informality rather than binding votes and formal negotiations. By signing the Declaration on the Code of Conduct of Parties in the South China Sea, China reinforced its commitment to the shared values of China and ASEAN member nations. ASEAN suits this need particularly well, and as such is the most satisfying avenue for China to pursue its objectives in the SCS.

Track 2 diplomacy represents yet another opportunity for China to pursue its interests in the SCS, which in the economic sphere satisfies its objective to modernize its industry by providing it with the necessary and stable supply of energy that it requires. By leveraging the informality of ASEAN and extending it to working level forums in which unofficial dialogue can take place, China is even less constrained in this area than it is in its dealings with ASEAN and at the same time it is able to strengthen its commitment to ASEAN and thus balance against the power of the United States in the region. By opening yet another forum for dialogue, China has been able to use track 2 diplomacy within the ASEAN ISIS framework to increase its regional cooperation while pursuing its foreign policy objectives, all in an environment that, while not devoid of United States presence, certainly does not contribute to increased American influence in matters that China considers vital to its own interests.

The use of bilateral agreements remain as an important aspect of China's pursuit of its foreign policy objectives, yet given the normative proliferation of regional institutions such as ASEAN, bilateral agreements are likely to be less effective in obtaining China's objectives because they consign each agreement to a zero-sum arrangement. If China concludes a bilateral agreement with one country to the exclusion of another, perceptions in the region as a rising hegemon may overshadow its current image as a responsible power with strong ties to regional and global, multilateral organizations. But that is still unlikely to prevent China from using bilateral agreements if there are sufficient benefits to be gained and little that other states can do to prevent it. China's pursuit of energy resources throughout the world reflects this tendency to conclude bilateral agreements where China has identified concrete, strategic interests, such as energy resources from Africa. However, unlike Africa and most of South America, where there is no single strong state or bloc to challenge China's position, ASEAN presents a strategic dilemma because of the collective strength it confers upon its member states. In this sense, China is likely to find limited value in concluding bilateral agreements among the ASEAN member states where there is a clear preference for collective consensus and mutual benefit.

With regard to China's actions in the SCS, "negative shifts in bargaining power best explain China's willingness to use force in territorial disputes."[43] In 1996 it used a display of force to reverse a trend by Taipei and Washington toward de jure independence for Taiwan. China's refusal to negotiate over the sovereignty of these issues is supported by Fravel who argues

> [a]fter the White Tail Dragon concession, China has never again offered to compromise over the sovereignty of an offshore island…China has chosen to delay settlement in all its offshore island disputes…In the Paracels, delay has given China time to strengthen its claim…In the Spratlys, China has held talks with other claimants, but it has never participated in negotiations over sovereignty.[44]

Thus, while China consistently reserves the right to use force in matters of sovereignty, it risks losing the gains that it has made since its reforms. Having promoted itself as an engaging and responsible power, China would lose much of the credibility it has gained through its engagement with the range of multi-lateral, international organizations. Unless China perceived the other actors in the regions moving away from multi-lateral engagement, it is likely that China will avoid unilateral action in the SCS unless it can consolidate a previously weak position at little cost to its overall strategy. While China used force to evict Vietnam from the Paracels in 1974, this was viewed as contrary to the norms promoted by ASEAN and China has not resorted to such unilateral uses of force since then, though there are often less direct confrontations between the various states. Overall then, China is unsatisfied with unilateral action as a means to achieving its foreign policy objectives in the SCS. Whether or not other states recognize this is another matter and a serious limitation of China's foreign policy. China is more likely to gain satisfaction by pursuing its objectives at the very least through bilateral agreements, but most effectively through regional, multilateral organizations such as ASEAN with the support of track 2 forums that provide China with added leverage.

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[43] M. Taylor Fravel, "Power Shifts and Escalation: Explaining China's Use of Force in Territorial Disputes," *International Security*, Vol. 32, No. 3 (Winter 2007/2008), 47.

[44] M. Taylor Fravel, *Strong Borders, Secure Nation: Cooperation and Conflict in China's Territorial Disputes* (Princeton: Princeton University Press, 2008), 269-270.

G. CONCLUSION

China's foreign policies are rooted in its particular historic experience, but they are not drastically different from the national interests of other states. China has sought to maximize its influence to create the space necessary for it to modernize its economy and develop itself as a modern state. In addition to its modernization, China's policies have also elaborated its desire to settle its historical disputes over Taiwan and the SCS, which China perceives to be the result of the weakness imposed on it in the 19th and 20th centuries. In order to prevent the conditions from arising that might lead again to a weakened China, China's foreign policy has sought to promote "democracy in international relations," which is part of China's effort to promote a multi-polar world order in which it has a greater say in the distribution of benefits. This is essentially a strategy that balances against the United States in the region by strengthening China's relationship with U.S. allies such as Malaysia, Indonesia and Thailand, and reinforcing an alternative foreign policy approach to that of the United States. Assuming that China's economic growth will continue to expand, so too will its influence and interests. This suggests that China will expand its reach beyond the Asian region.

China's foreign policy in the SCS makes cohesive use of the spectrum of possible avenues for addressing its concerns there. China has used the framework of the UN and UNCLOS to establish its claims to the disputed territory there based on its understanding of the rights given to it under the territorial waters and EEZ definitions. This position is at times contrary to Western interpretations and may be cause for future conflict. China is more satisfied than not with the likely outcome of its stance in this regard because of the strength of its position, though it still must contend with U.S. influence in the UN. China has also used the regional framework of ASEAN to pursue its foreign policy objectives in the SCS. This forum is particularly suited to meeting China's needs because its position is relatively stronger there than in the UN, the United States has much less influence and it strengthens the institution of ASEAN as a bulwark against increased American influence in the region. This forum satisfies China's objective more than either the UN or bilateral agreements. Track 2 diplomacy extends the gains that China can make in ASEAN by providing a dialogue in a much less formal setting, which

satisfies China by not constraining it, yet still providing it with substantial influence. Bilateral agreements, while they provide China with the best negotiating position, undermine China's commitments to ASEAN and could give rise to balancing behavior against China by ASEAN nations that view its bilateral agreements as contrary to its multilateral commitments. While China reserves the use of force, this would severely undermine its multilateral efforts to encourage cooperation and increase the likelihood for conflict. China is therefore, most satisfied by pursuing its national interests across the spectrum of international organizations and using each to its particular strengths while avoiding potential conflict and increasing its relative power and influence in the region.

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IV. ECONOMIC INTEGRATION

A. CHINA'S ECONOMIC GROWTH

China's integration into the global economy began in 1978 with the reforms initiated by Deng Xiaoping, were extended throughout the 1980s with a brief interruption caused by the Tiananmen Crisis, and was solidified with its accession to the WTO in 2001. In that forum, China has been able to pursue its economic modernization on a scale that would have been extremely difficult had it not been allowed to join. Not only did its membership in the WTO provide it with positive and negative incentives—such as business best practices and non-tariff trade barrier reduction requirements, respectively—but China has had a significant and perceptible impact on regional and global trade. Lardy further argues that

> [n]o other country that has become a WTO member in recent years has been large enough to affect global trade and output so positively because of the trade and investment liberalization required.[45]

China's economic integration is important for several reasons. With regard to China's position in the hierarchy of states, the more integrated that China becomes with the global economy, the more it places at stake in threatening the stability of that order. As China gains more revenue from its growing economy, China is able to spend more on its military in real terms. Coincidentally, as China accepts more rules and norms as the basis for its continued benefits from the international order, it is forced to choose from two remaining options. Rodrik's political trilemma presents China with a strategic dilemma, in which a state can satisfy only two of the following three objectives: deep economic integration, democratic politics, and a strong nation-state.[46]

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[45] Nicholas R. Lardy, *Integrating China into the Global Economy* (Washington, DC: Brookings Institute Press, 2002), 134.

[46] Dani Rodrik, "Feasible Globalizations," *Globalization: What's New?*, ed. Michael M. Weinstein (New York: Columbia University Press, 2005), 204.

China has clearly opted for deep economic integration, and thus the remaining options are to have either a strong nation-state or democratic politics. Because of China's perceived misgivings and humiliation at the hands of the Western, colonial powers in the 19th and early 20th centuries, China has chosen to pursue a strong nation state rather than a high-level of democracy, which places it at odds with many other Western states that value liberal, democratic norms such as individual, political freedoms and a free press. China's economic integration also means that as its economic power and influence increase, so too will its ability to pay for and modernize its military.

China's satisfaction with its economic integration was cemented by its entrance into the WTO in 2001, though there are lingering effects of its opaque financial and economic system that have increased mistrust among other WTO members. If China continues to increase its transparency with regard to its processes and institutions, it is likely that others will regard it as playing within the rules for economic cooperation and will thus accord to China increased status. This would certainly enhance China's satisfaction by conferring upon it economic and political legitimacy and increased international stature.

A broad measure of China's satisfaction is the extent to which its national interests are met by its membership and participation in various economic groupings, which span the range of institutionalism from global, multilateral organizations such as the WTO, IMF, WB or G-20 to regional groupings such as ASEAN Plus Three (APT), APEC and the EAS and then to Track 2 and bilateral agreements between China and most of the other states throughout Asia and the rest of the world. Each of these groups requires that China submit some of its authority to the opinions and judgments of the group, but in return China is able to benefit from its membership by the reciprocation of benefits from other member nations. China's membership in the WTO in particular has had an immense impact on China, the Asian region as a whole and certainly the world

economy.[47] Of particular importance is the degree to which China's membership in the WTO has affected the norms governing China's corporate governance and the outcome that may have for China's future satisfaction with its economic integration.

If China is to continue to integrate with the global economic and financial system, indeed, if it hopes to have a significant impact on it, to the extent that it is able to demand more benefits, then it will have to adopt norms that have been generally agreed upon by the developed countries of the world. While China may hope to rearrange the very foundation of the current international order, with the economic basis included, this would be wasteful and inefficient. Even if China's intent were malicious and in the long term it sought to remove the United States as the dominant power in the world and place itself atop the international hierarchy, it would be much better served by working within the current international order while its internal weaknesses are resolved and its military and economic power continues to grow. This would accord with the 24-character strategy outlined by Deng Xiaoping in 1982. The norms promoted by the WTO, such as transparency, rule of law and the dispute settlement mechanism have been accepted to a great extent by China. The more it continues to abide by them, and if it continues to create the economic wealth it seeks, then China's satisfaction with its economic integration can be expected to continue and increase. If, on the other hand, China's increased economic interdependence does not serve its national objectives, then its satisfaction with the global economy is likely to stagnate or decrease. This would lead China to continue to promote alternative means of maintaining regional and global stability, contrary to the interests of the United States.

This development would present the United States and the rest of the world with a grim reality. While China may not be as satisfied as it possibly can, its ability to challenge the status quo is enhanced by its cooperation with these norms. At a point when China might no longer be satisfied, the United States and its formal allies might be hard-pressed to defend the status quo and could risk destabilizing it by using force to do

47 Lardy, 2002, 134. Lardy alludes to a study by the Development Research Center of China's State Council in which the effects of China's entry into the WTO are estimated for the economies of Japan, Hong Kong, Singapore and Malaysia.

so. China's calculations certainly must include some consideration of a point in the future when China's power is at a level of parity with the United States, and even perhaps including several of its Western allies. It would be at this point that China would risk relatively little by challenging the status quo with force.

The WTO, much like the UN with regard to China's significant status and role there, is an institution that provides China with a significant range of benefits. In the WTO, China has shown that it is willing to contend with the United States in such an organization because China recognizes its particular strength accorded it here by its economic capability and potential. Lardy describes the extent of China's commitments included in its accession requirements, and it becomes clear that not only was it no small feat to do so, but that China's leaders were undertaking a strategic risk by opening themselves to so much foreign intervention in their economy. China still remembers its experience of the 19th century and so could not have taken this decision lightly.

> China promised not only to open up long-closed sectors such as telecommunications, banking, insurance, asset management, and distribution of foreign investment. Equally significant it agreed to abide by all of the WTO rule—from the protection of foreign intellectual property to the elimination of local content requirements that China had imposed on many wholly foreign owned and joint venture manufacturing companies.[48]

The range of sectors that China opened to foreign competition under its WTO accession agreement indicates both China's willingness to reform because of the strategic nature of sectors such as telecommunications and banking. At the same time, China exposes itself to foreign competition, which in theory increases innovation. China also receives benefits in the form of direct investment and new technologies. These are critical to China's national objectives.

The inflow of foreign direct investment (FDI) into China in recent years clearly places it among the major states in the system in terms of its attraction as a destination for capital. Only the United States, the United Kingdom and France had higher amounts of FDI inflow in 2007, and China's has been steadily increasing since its accession to the

[48] Lardy, 2002, 4.

WTO. China is able to pursue its national objective of economic modernizations through the WTO in several ways. From its membership in the WTO, China has gained access to high-technology equipment, which has bolstered its ability to provide quality, manufactured items to export to the rest of the world. As FDI has flowed from the world to China, China's access to equipment, management techniques and best-practices has allowed it to improve its own industrial base, which serves the dual purpose of modernizing its economy and at the same time providing its military with improved technology to strengthen its military capabilities.

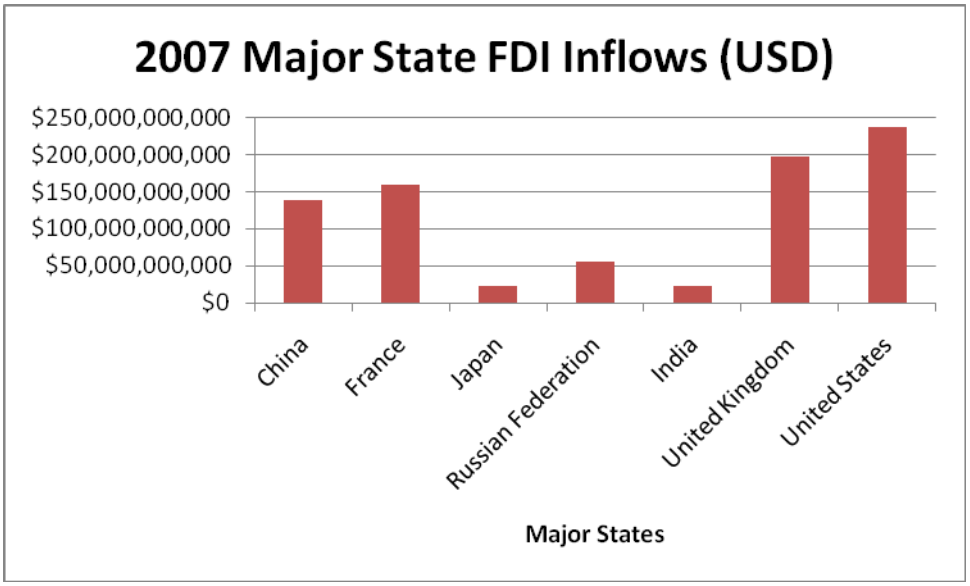

Figure 11. Major State FDI Flows, 2007, From: World Bank

Even though the United States is the dominant member of the WTO, China remains confident that its sovereignty will not be impeded there. The dispute settlement mechanism (DSM), which is a key part of the WTO process, allows China the necessary confidence that it will not be subject to the domination of the United States. Therefore, China's membership in the WTO provides it with the means by which to achieve many of its national objectives—military and economic modernization, reunification and a multi-polar world order—without sacrificing much in the way of sovereignty. Even in areas where China is least compliant, such as its enforcement of IPR, China is glad to see such issues be resolved through the DSM where it can adopt new norms slowly, rather than

have institutional change thrust upon it by the United States, which could potentially expose structural weaknesses in its own bureaucracy, threatening state stability and legitimacy.[49] The WTO provides China with a slow and measured level of normative change that does not threaten China's leaders the way bilateral agreements with the United States might. China can maintain its identity while allowing its own processes to come into compliance with international norms at a pace that is suited to China's particular domestic politics.

To the extent that China can pursue its national objectives within the framework of the WTO, it is increasingly satisfied with its economic integration with the global economy. China's overall productivity is likely to continue, even under the conditions presented by the current financial crisis, because of both the current level of interdependence, as well as by the need of the state to continue to create the necessary conditions whereby its immense population is provided with new jobs. Given the failure of China's government to provide social services, its legitimacy as a single-party government will continue to rest on its ability to provide substantial economic opportunity and growth. China's satisfaction with the structure of its relationship with the WTO will therefore continue to rely on its ability to meet its economic and military modernization goals.

While comparing FDI among the major states in the system is useful to see the extent to which a particular state relies on its economic interactions with other states, by assessing China's import and exports, a much clearer picture emerges, whereby China is far more reliant on its integration with the global economy. China's imports and exports as a percentage of GDP are much higher than any other major state. While the United States exports and imports were 11.2 percent and 17 percent, respectively, in 2006, China's was 39.9 percent and 32.1 percent, respectively.[50] This indicates China's greater reliance on participation and integration with the global economy.

[49] Lardy, 2002, 139-142.

[50] World Bank Key Development Data and Statistics

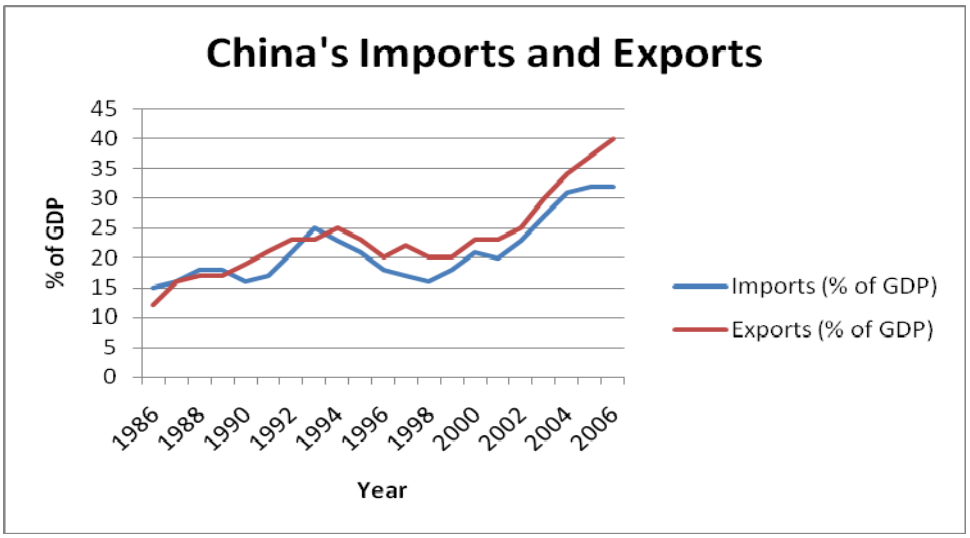

Figure 12. China's Imports and Exports, 1986-2006, From: World Bank

In exchange for technology, leverage in the WTO, and market access for its exports, China has shown that it is willing to submit itself to the rule-bound nature of the WTO, to the transparency that it requires and the overall loss of control over foreign access to its market because all three of these sacrifices benefit China almost immediately. In exchange for lowering duties, restructuring licensing requirements, strengthening its IPR regulations and improving its technical and health-inspection programs,[51] China not only gained access to the benefits already described within the WTO, but it concurrently gained access to the methods by which to implement these requirements, which was recognized by reformers at the time. Reformers were able to use the benefits offered by WTO membership as leverage to implement structural reform within their domestic power structure, such as divestiture of the PLA, a weakening of state-owned enterprises (SOE) in favor of private businesses, and a strengthening of market mechanisms over state-controlled pricing. While the normative effect of these institutional changes are likely to continue to be borne out over the next few generations, China's current leaders are likely to remain satisfied with the sacrifices made in light of the increased influence and power it has accorded them within the global economy.

[51] Barry Naughton, *The Chinese Economy: Transitions and Growth* (Cambridge: MIT Press, 2007), 100.

B. REGIONAL MULTILATERALISM

There is certainly a substantial body of literature on the inspiration, growth and evolution of regional organizations in Asia. Beginning with the abortive Southeast Asian Treaty Organization (SEATO), but continuing with ASEAN, ASEAN Plus One and Plus Three, the ARF, APEC, the EAS and others, there have been a wide variety of organizations and forums to address the multitude of needs in the Asian region. Such organizations reflect a noticeable divergence from the rules-based, legalistic structure of global institutions such as the WTO. Even the APEC, in which the United States plays a significant role, adopted a less formalized manner in pursuit of its objectives.

> Cooperation should recognize the diversity of the region, including differing social and economic systems and current levels of development…cooperation should involve a commitment to open dialogue and consensus, with equal respect for the views of all participants…cooperation should be based on non-formal consultative exchanges of views among Asia-Pacific economies.[52]

Expressing its norms as such is drastically different from the structure and process found in the WTO, and much more similar to the policy objectives stated by such organizations as ASEAN through its TAC in 2002.

Just as ASEAN presents an alternative regional forum to the UN, in which can pursue its foreign policy objectives in general, APT, EAS and APEC offer regional forums for China to pursue its economic policies, which in turn serve the interests of its broader national objectives of economic and military modernization, reunification, and multi-polarity. For distinct historic, cultural and political reasons particular to Asia, the economic objectives of these various organizations are often deeply intertwined with their respective security and political concerns. Therefore, any assessment of China's economic integration with these organizations and member states' economies, will inevitably involve a component that touches on security and politics.

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[52] Asia-Pacific Economic Cooperation, First Ministerial Meeting, Canberra, Australia, November 6-7, 1989, Joint Statement, accessed 5 April 2009, http://www.apec.org/apec/ministerial_statements/annual_ministerial/1989_1st_apec_ministerial.html.

China's engagement with ASEAN saw increases both after the fallout of the Tiananmen Crisis as well as in the aftermath of the AFC, during which time China established itself in a favorable light with respect to the more affected economies in Asia. China also realized that its engagement with such organizations could serve its broader interests by giving it substantial influence in organizations that excluded the United States, thus contributing to a more multi-polar world order. By engaging with ASEAN and promoting their economic links through APT, China gains access to new markets for its products, but more importantly, it can tie these smaller countries to China's interests based on their shared institutional norms, which coalesce around mutual notions of consensus, informality and strengthened state sovereignty. When this ASEAN-China relationship began in the 1990s, as Ba notes:

> ASEAN offered China…alternative developmental models, as well as attractive trading partners and political allies that shared many of China's developmental priorities and sensitivities about external interference…ASEAN provided China with a way to remain engaged in both regional and global communities.[53]

Whereas China's commitments to the WTO require it to sacrifice some of its sovereignty in order to garner the benefits of its cooperation, cooperation with ASEAN through ASEAN Plus One does not require China to give up as much of its control because of those shared norms and values. That China signed the TAC signifies more that China sees cooperation with ASEAN as allowing it to achieve its foreign policy objectives rather than being constrained such as it might be within an organization to which the United States is also a member, such as APEC.

China's efforts to further integrate itself with ASEAN through an ASEAN-China Free Trade Agreement (ACFTA) would have enormous implications for the region. Not only would China gain increased access to many different markets with high demand for cheap goods, but it would come at the expense of other countries that cannot compete with China in labor costs. Those ASEAN countries would become more integrated with China's markets and financial structure, while China would gain access to FDI and

[53] Alice D. Ba, "China and ASEAN: Renavigating Relations for a 21st-Century Asia," *Asian Survey*, Vol. 43, No. 4 (July/August 2003), 632.

technology that has been made available through ASEAN member countries other agreements. While such opening would enhance China's position in the region, it could have negative impacts on the system as a whole. Exclusive trading blocs such as this could lead to protectionism, which the United States sought to decrease after World War II. ACFTA would therefore enhance China's economic position at the expense of global trade in general.

APEC as an organization came into existence in November 1989, during a period when China was still experiencing the negative effects of its actions during the Tiananmen Crisis, to include loss of international appeal. While China's imports and exports did flatten out after Tiananmen, it was due to the government's actions to halt inflation and bring the economy under control, and not because of a lack of demand. Nonetheless, China sought increased access to regional economic organizations during this period.

China became a member of APEC two years later after much of the negative international stigma was gone and most countries had resumed normal trade relations with China; although neither the United States nor the EU have resumed their military and dual purpose technology transfer. APEC as an institution is appealing to China because of its wide membership. There are 21 member nations of APEC that span from East Asia to Australia and across the Pacific to North and South America, thus providing China access to a broad range of markets. Even though the United States plays a significant role in APEC—it is the only regional economic forum in Asia to which it and China are members—China is able to pursue at least parts of its economic objectives within APEC by gaining equal access to regional markets and the introduction of new industrial technologies, which contribute to China's overall ability to pursue its economic and military modernization.

Because APEC's founding principles accord more readily with the Asian way of consensus and informality, China gains in another respect by maintaining its membership in APEC despite the presence of the United States. While U.S. policy is often to tie other states into binding agreements where Washington is able to use its diplomatic and economic strength to gain leverage against other countries, the norms embodied in

APEC, and ASEAN for that matter, are not conducive to leveraging tactics because of the lack of formality and reliance on consensus and cooperation. China therefore is able to pursue its economic objectives within the framework of APEC, despite the presence of the United States, and this in turn contributes to its overall ability to achieve its foreign policy objectives of modernization, reunification and multi-polarity. To the extent that China does in fact achieve this within these regional, multi-lateral forums, China is satisfied with at least that aspect of the international order.

The EAS has emerged as a regional economic—as well as political and strategic—forum in which many of China's economic objectives can be pursued, and concurrently, most of its broader foreign policy objectives be attained. As a regional economic group, EAS gives China greater access to markets throughout Asia, which in turn serves China's greater need for energy resources, which are extensive. This serves to provide stable sources of energy and income for China, which is a key objective in its pursuit of economic and military modernization. The EAS is also a group that has not admitted Taiwan as a member—though it is a member of APEC—and so China can pursue its foreign policy objective of reunification by isolating Taiwan from sources of capital in the region. In promoting the EAS, China bolsters its own economic stability while excluding, and therefore potentially weakening Taiwan's. The EAS thus far has excluded the United States from participation.[54] This contributes to China's attainment of its foreign policy objectives in a third manner by denying access to the United States of a significant degree of the regional and global economic cooperation, thus increasing the multi-polarity of the international order at the expense of American influence. Although, Australia, New Zealand, India and Japan—all American allies—have all participated in the EAS, China finds it particularly advantageous to engage in a forum in which the United States does not wield direct influence. Given the increased potential for China to achieve significant influence in a grouping such as the EAS, it is likely that China will be particularly satisfied with it, especially if it is able to supplant APEC as the dominant multilateral economic forum in the region.

[54] Bruce Vaughn, "East Asia Summit (EAS): Issues for Congress," *CRS Report for Congress*, January 11, 2006.

C. TRACK 2 ECONOMIC FORUMS

With regard to China's use of the several different track 2 forums available to it, China has engaged in these in accord with its general behavior toward multi-lateral organizations: it has used caution to avoid opening itself to too much influence, but once it has determined that its objectives are well-served by integrating, it has shown a complex, coherent and dynamic use of them.[55] This behavior has extended to its use of various track 2 forums to pursue its foreign policy objectives, including its economic modernization. As several track 2 forums have emerged in the region, such as the ASEAN-sponsored Center for Strategic International Studies (CSIS) in Jakarta, the ASEAN Institutes of Strategic and International Studies (ASEAN ISIS), the Pacific Economic Cooperation Council (PECC), and the ASEAN Economic Forum (AEF), so too has China's ability to engage with them and integrate those relationships into its larger foreign policy structure. Shambaugh writes:

> As the Chinese government has increasingly participated in so-called "Track II" policy dialogues, so too has it better understood the utility of such venues for floating policy ideas and possible initiatives, and to gauge the potential reaction of foreigners.[56]

It is no surprise then, that given China's isolation prior to 1971 and its stated policy of opening since 1978 that it would seek to learn as much as possible about its environment in order to maximize its gains from the international system. Its engagement with track 2 forums represents yet another way for China to pursue its foreign policy objectives in an environment that is particularly suited to its preferences. Such forums are appealing to China for many of the same reasons that some of the regional multilateral groupings to which it is a member satisfy its various needs. The level of formality at these track 2 meetings is low and so China is not constrained by the rules and procedures found in track 1 and more formal organizations. This satisfies

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[55] Evan S. Medeiros and M. Taylor Fravel, "China's New Diplomacy" in *Foreign Affairs*, Vol. 82, No. 6 (2003), 22.

[56] David Shambaugh, "China's International Relations Think Tanks: Evolving Structure and Process," *The China Quarterly*, No. 171 (September 2002), 576.

China because they sacrifice little of their power in exchange for a broad range of information that empowers them in other regions, given the access to information that track 2 forums provide.

While China is often less than pleased by the strong presence of the United States in any international organization to which it is also a member, the dominance of informality and sharing that takes place within track 2 forums, especially those sponsored by ASEAN, must decrease China's hesitance to partake in them. In addition, the China Institute of International Studies, the "key 'track II' organ to carry out such exchanges for China," has several personnel who received training from American universities.[57] The ability of China to gain a better understanding of American and other countries' motivations in international relations better serves its own abilities to pursue its objectives by providing it with better analysis and policy recommendations. By engaging in these forums, it can pursue its economic modernization, increase its overall influence and power, and thus contribute to an increasingly multi-polar world order, in which its ability to sway Taiwan is bolstered and balance against the United States is seen as less confrontational. Overall, China is likely to be very satisfied with its participation in track 2 forums because it provides it with an additional venue to pursue its national interests in keeping with the ASEAN way of informality, consensus and respect for sovereignty.

D. BILATERAL ECONOMIC RELATIONS

The range of economic issues that confronts China today means that it must use a diverse and unified strategy for ensuring access to critical resources and materials, ensuring access to developed and emerging markets and stabilizing its relationships with countries that it both borders and with whom it maintains economic relations. Goldstein writes:

> …since 1996 Beijing has forged a diplomatic strategy with two broad purposes: to maintain the international conditions that will make it feasible for China to focus on the domestic development necessary if it is to increase its relative (not just absolute) capabilities; and to reduce the likelihood that the U.S. or others with its backing will exploit their current

[57] Shambaugh, 2002, 576.

> material advantage to abort China's ascent and frustrate its international aspirations. These considerations have resulted in efforts to reassure potential adversaries who had grown increasingly worried about China's rise and also efforts to encourage the other major powers to view China as an indispensable...international power.[58]

This dynamic has required that China use bilateral, as well as multilateral means to engage with other states, but only to the extent that China can maintain a certain degree of influence or leverage with respect to the other state, or that it garner significant absolute benefits. In order to create the necessary domestic conditions to which Goldstein referred, China has had to resolve its territorial disputes with surrounding states such as Russia, India and Vietnam, and it has had to come to amiable terms with South Korea because of the strategic dimension of relations on the Korea Peninsula and their potential effects on China's stability.[59] Shambaugh further notes that:

> Taken together with China's ongoing efforts to forge a strategic partnership with Russia and to increase bilateral cooperation overall, Beijing's success in building ties with its former adversaries (including South Korea, Vietnam, and India) has not only benefited the countries concerned, but has also removed key sources of tension from the Asian region.[60]

Establishing the conditions for China's success was a prerequisite for eventual attainment of its current broader foreign policy, of which economic integration and modernization is a critical component. By resolving territorial disputes, the conditions were set for further bilateral engagement with key states in the region. Bilateral agreements in the form of high-level summits between state leaders have led to an increase in bilateral economic ties throughout the region. China has a strong preference for such agreements provided that it does not undermine its progress in multilateral, regional forums, which is unlikely because ASEAN is the most prominent of those and China would avoid doing so to a great extent as it gains significant benefits from good

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[58] Avery Goldstein, "The Diplomatic Face of China's Grand Strategy: A Rising Power's Emerging Choice," *The China Quarterly*, No. 168 (December 2001), 836.

[59] David Shambaugh, "China Engages Asia: Reshaping the Regional Order," *International Security*, Vol. 29, No. 3 (November/December 2003), 78-83.

[60] Ibid.

relations with it. But China has increased its bilateral economic agreements with Japan, South Korea, Vietnam, Russia and Pakistan, and in so doing has strengthened its own position vis-à-vis the United States. This dynamic satisfies China to a significant degree by strengthening poles of power in the region with interests that are not completely aligned with the United States. However, given that the United States also has strong bilateral ties with many of those countries, China is likely to proceed cautiously as it does not want to spark backlash against its policies before it feels it has reached a formidable level of political and military strength.

E. CONCLUSION

Just as China has engaged with the spectrum of international organizations in general, it has done so with economic forums in particular, and which span the range from global, international institutions to regional, informal and bilateral. Of course, many global institutions have been established by the United States since World War II and therefore China must either accept the presence and subsequent influence of the United States, with the attendant likelihood that China's options may be constrained in some way. Nevertheless, China has accepted this fact to a great extent by its efforts to gain accession to the WTO, which placed significant pressure on its political leadership to reform many of its economic and financial practices. The demands for increased transparency, rule of law and respect for IPR though, while challenging to implement, allowed China to increase its economic potential and thus use its newfound economic power to pursue its military modernization, a key component of its national objectives. The DSM is particularly appealing to China as it provides it with an increased voice in the resolution of economic problems that it might have felt uncertain about prior to accession.

The Asian region is rife with various regional economic forums that China has sought to use to attain its foreign policy objectives. The APEC, APT and EAS all provide China with a means by which to integrate with regional economies while strengthening its own position in the global order. APEC does not allow China to escape the influence of the United States, but APT and EAS do. These organizations may prove

to be particularly satisfying to China's policies as it attempts to differentiate itself from American leadership in the 21st century. These regional forums also provide a much less formal, track 2 environment in which China can take risks that it could not afford in the more formal, rule bound, legalistic environment of those institutions established by the United States. Where China has specific disputes with individual states, such as territorial or trading rights not covered by established regional or global forums, it will use bilateral agreements to take advantage of its significant economic leverage to avoid interference from other actors such as the United States. At each level of engagement, China's satisfaction is increased by its ability to improve its economic potential, reunify its country and increase global multi-polarity. In the same light, its satisfaction is decreased by the potential influence of the United States and the perception that China is being constrained. Further, to the extent that China sees the United States as abrogating the principles of the ASEAN way, with regard to China or other states in the region, China will be more dissatisfied with such constraints on its economic integration and is likely to seek exclusionary forums for it to pursue its national objectives.

V. MILITARY MODERNIZATION

A. CHINA'S GROWING MILITARY POWER

The issue of China's ongoing military modernization is of a dual nature. On the one hand, it consists of the normal and expected activities of a state whose revenue is increasing and whose interests are expanding. On the other hand, China has sought to quickly fill in the shortcomings of its military capabilities by acquiring advanced weaponry from states such as Russia to increase its ability to maintain its claims to Taiwan. Its military diplomacy uses a very familiar range of institutions from the global multi-lateral UN, to regional forums such as ARF and a host of bilateral arrangements with countries that do and do not share borders with China. As with its pursuit of its foreign policy objectives within the broader framework of the international regime in general, and its economic integration as well, China satisfies many of its national objectives using these forums to reunify its country, continue its modernization and promote a multi-polar world order. On the other hand, China has pursued a thorough restructuring and refitting of its military, the People's Liberation Army (PLA). Since 1985, it has sought to improve its equipment; it has sought to train more technologically skilled personnel; it has sought to professionalize its officer and non-commissioned officer corps; and it has sought to adapt its military doctrine to the current regional and global security environment, a major part of which consists of high-technology weapons and advanced war-fighting doctrine. In total, China uses the range of security forums available to it to assuage fears, build confidence and increase transparency, presumably to avoid sparking balancing behavior by regional and global powers with interests in Asia. But China has also pursued a range of increased military capabilities that are designed to engage a military adversary that might decrease its satisfaction over the eventual resolution of the Taiwan issue.

The United States and China share many interests that have the potential to dissatisfy one or the other. As China becomes more powerful, its ability and confidence to assert itself and demand more benefits from the international system is likely to

increase. This condition of increasing power by one state relative to the system hegemon, the United States in this case is precisely what Gilpin argues from a cost/benefit analysis:

> A state will attempt to change the international system if the expected benefits exceed the costs…through territorial, political, and economic expansion until the marginal costs of further change are equal to or greater than the marginal benefits.[61]

Therefore, while China is likely to be satisfied with the benefits it is able to garner from the range of multilateral institutions with which it engages and the indigenous development of its own military technology, it has also sought to ensure its satisfaction unilaterally through the acquisition of a range of military equipment, from external sources such as Russia. While it has modernized its force structure and professionalized its personnel, it still is not assured of its ability to resolve the reunification of Taiwan by force with its current military capabilities. These capabilities would provide China's political leadership with an increased ability to make unilateral demands from other regional and global actors if it is obstructed in its pursuit of its national objectives within the framework of multilateral cooperation, but until that time, China will be more dissatisfied than not with its military modernization.

B. INCREASING CAPABILITIES

Critical to China's ability to pursue its national objectives is the long-term modernization of its military capabilities, which began in 1985. Conflict in the Taiwan Strait is the most obvious example, but overlapping territorial claims in the SCS and East China Sea (ECS) could also present Beijing with a situation in which it may estimate that it has more to gain in terms of energy resources and regional influence by engaging with the unilateral use of force. To do this, Beijing has professionalized its personnel and increased their training, improved its military's ability to conduct joint warfare and developed an indigenous capability to produce its own military technology.

Taiwan is the situation that confronts China most directly. Although Western sources evaluate China as having an "apparent absence of direct threats from other

[61] Gilpin, 1981, 10.

nations,"[62] from Beijing's perspective, it faces an increased level of confrontation from the United States. China's satisfaction over the likelihood of reunification with Taiwan would be increased by actions and statements by Washington that comport with the spirit of its three communiqués, which delineate the boundaries of the relationship between Beijing and Washington: these documents specifically address strategic collaboration, recognition of sovereignty, and the sale of arms to Taiwan. Beijing's perception of Washington's behavior with regard to Taiwan has trended since 1972 away from cooperation according to the communiqués, as evidenced by the upgrade in fighter jet capability under President Reagan, the largest military arms sale in history under President George H. W. Bush, the perceived compliance by the Clinton Administration with the efforts of Taiwan's President Lee Teng-Hui to move Taipei towards de jure independence, and finally the resumption of large scale arms sales to Taiwan by the administration of President George W. Bush. Beijing's response to this direct threat has been to increase its capacity to defend its sovereignty by acquiring specific military technology and capabilities from Russia that increase China's ability to deter any declaration of independence of Taiwan form the Mainland.

In order to increase its ability to protect its claims to Taiwan, China has pursued a modernization program that

> with certain new equipment and certain strategies, China can pose major problems for American security interests, and especially for Taiwan, without the slightest pretense of catching up with the United States by an overall measure of national military power or technology.[63]

The aircraft China has developed in the context of its modernization consists of the J-6 Fantan and the J-7 Mikoyan, and several variants,[64] including the FB-7A fighter-bomber, all having increased range over their predecessors. China has also sought to develop an airborne early warning and control aircraft based on the Y-8 transport aircraft, which would give it an increased ability to manage over-the-horizon (OTH) engagements

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[62] *Annual Report to Congress: Military Power of the People's Republic of China, 2009,* Office of the Secretary of Defense, 28

[63] Christensen, 2001, 7.

[64] *Jane's All the World's Aircraft, 2000-2001*.

in such areas as the Taiwan Strait and the SCS, though China is still lacking in this capability. While these air assets do not provide China with an immediate remedy for a Taiwan scenario, they do complement China's rise as a major state in general and serve its mid- to long-term goals of regional security and stability.

Because China has a significant coastline, along which many of its concerns lay, China has developed an indigenous naval capability to ensure its long-term maritime interests are secure. This includes: the development of diesel and nuclear submarines, the Song-class and Shang-class, respectively, a range of surface combatants, the Luyang, Luzhou and Jiangkai-classes of guided missile destroyers and frigates, with surface-to-air missile capabilities;[65] and the development of an indigenous aircraft carrier.[66] If China were to successfully develop the necessary platform, air-wing and support ships, as Storey and You argue, "the strategic equations in the Taiwan Strait and South China Sea would be altered,"[67] presumably in China's favor. China's efforts to acquire the Su-33, ship-based air defense fighter from Russia bolsters the evidence that eventually China will develop or acquire this capability. This and the other naval developments directly serve China's immediate and longer-term security concerns, both in the Taiwan Strait, as well as in the SCS and beyond.

China's conventional and strategic missile inventory, operated by the PLA's 2nd Artillery, include a combination of short-, intermediate- and long-range missiles that are designed to deny an adversary the ability to operate within China's coastal and territorial waters, and to deter an adversary from striking China with strategic weapons. Not only has China developed conventional anti-ship cruise missiles (ASCM) such as the CSSC-2 Silkworm and CSSC-3 Seersucker, with application in a Taiwan scenario, but they have also developed several ballistic missiles with enough range to strike anywhere in the continental United States. Other intermediate range, conventional missiles are being developed with the ability to strike ships from ranges of up to 1500 kilometers. The

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[65] Office of the Secretary of Defense, *Military Power of the People's Republic of China, 2008*, 4-5.

[66] Chen Jun, "China's Aircraft Carrier: One Step Closer," *Newschina*, May 5, 2009, 26-27.

[67] Ian Storey and You Ji, "China's Aircraft Carrier Ambitions: Seeking Truth from Rumors," *Naval War College Review*, Vol. 57, No. 1 (Winter 2004).

implications of such developments are clearly aimed at extending the range of China's ability to influence military events well beyond its immediate periphery. While these developments no doubt satisfy China's top leaders, it is an indication that they are not particularly satisfied with their current capability to protect their interests. A long-term modernization such as this, while it does not fall into the category of an immediate arms buildup, does support claims that China aims to alter the global balance of power in its favor.

Because of certain shortfalls in its indigenous production capability, China has acquired such foreign fighters as the Su-27 and Su-30, guided missile destroyers such as the Sovremenny-class destroyer from Russia, and is seeking the Su-33 ship-based fighter as a pretext to its aircraft carrier development. By developing the indigenous capability to produce aircraft that suit China's increasing regional interests, China assures its satisfaction of being independent from other states in the long-term. By acquiring aircraft from Russia that have longer ranges and better maneuverability, China addresses its dissatisfaction with the situations on Taiwan and in the SCS, but it also allows China to begin looking well beyond such peripheries, such as the Indian Ocean. This short-term remedy allows China's leaders to be somewhat more secure in their ability to maintain the unity of their government, and the country in general. Because Taiwan is so symbolically important to China, if it were to achieve independent status in the international community, the Chinese Communist party (CCP) itself would be threatened.

It is widely noted that China's modernization has proceeded in a direction that allows it to directly challenge the U.S. ability to intervene in a Taiwan Strait scenario.[68] In addition to these capabilities, China has pursued a range of asymmetric capabilities such as anti-satellite (ASAT) missiles and modern mines, which are broadly defined as part of China's "Assassin's Mace," generally thought to be of the application asymmetric capabilities by an inferior force against a technologically superior adversary.[69] In total,

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[68] See for example: David Shambaugh, *Modernizing China's Military* (Berkeley: University of California Press, 2002), 284. June Teufel Dreyer, *China's Power and Will: The PRC's Military Strength and Grand Strategy*, Elsevier Limited on behalf of Foreign Policy Research Institute, 2007, 648. *Annual Report to Congress: Military Power of the People's Republic of China, 2009.*

[69] Office of the Secretary of Defense, *Military Power of the People's Republic of China, 2008*, 20.

these developments are described widely as part of an anti-access strategy to fight a militarily and technologically superior adversary such as the United States.

These developments indicate that China's satisfaction with an apparent unipolar world order is low, but increasing as its perceptions of multi-polarity increase. While the development of an indigenous aircraft carrier, or similar platform might enhance China's ability to conduct peacekeeping operations (PKO) at great distances from its borders, it seems more plausible that its military modernization would conform to its overall, stated national objectives of reunification, modernization and multi-polarity. In this instance then, China's military modernization can be seen as part of an overall effort to return China to a position of eminence in the international arena, by increasing its own power in the region and thus diminishing that of the United States. This would certainly contribute to Beijing's perception that the international order is trending towards multi-polarity.

By pursuing military modernization and thus increasing its power projection capability, China increases its ability to secure strategic resources such as oil and natural gas, without relying on the United States to secure the sea lines of communication (SLOCs). Though still far from fielding a force capable of projecting power to the extent that the United States does, the recent deployment of two Chinese destroyers to take part in anti-piracy efforts in the Gulf of Aden, will certainly provide the PLA Navy (PLAN) with experience in the waters not directly along its borders. If China is to project power in the world, it has to start somewhere, and this provides it with the ability to gain experience in a forum where the United States dominates, but from which China is able to gain invaluable experience. Thus, the modernization of China's military capabilities is tied directly to its long-term economic stability.

China's pursuit of increased military capabilities across the Taiwan Strait, and inevitably along the rest of its periphery, allows it to achieve perhaps the most important of its national objectives. Inevitably intertwined with the legitimacy of the CCP, China's economic modernization and the return of China to great power status, is the reunification of what China's leaders perceive to be its historical territorial rights, particularly Taiwan, the Senkaku's and its claims in the SCS. The government on Taiwan has refused to submit to the PRC's authority. In addition, the United States has continued to provide

Taiwan with a security umbrella, embodied in its policy of strategic ambiguity,[70] whereby neither Beijing nor Taipei is assured of what the American response would be to efforts by Beijing to reunify by force, or a declaration of independence by Taipei. The specific military modernizations that China has pursued since 1985 have enhanced its ability to wage a limited war against a technologically superior adversary. In undertaking these efforts, China, though certainly not keen on fighting a war against Taiwan supported by the United States, has satisfied its need to be able to apply pressure to the situation and maintain domestic support for the CCP. The advances that China has made vis-à-vis Taiwan have significant application in a SCS scenario and thus reinforce its ability to reunify its territory according to its historical claims.

C. PROFESSIONALIZATION

China's substantial efforts to gain access to increasingly modern weaponry would be for naught if it did not possess the properly trained personnel to operate and manage it. China's military professionalization therefore has two components: the professionalization of its officer corps and the technical training of its enlisted personnel. The extent to which the PLA is able to incorporate new technology into its forces and at the same time train its technicians how to properly operate it will have a profound impact on the ability of China's leadership to use its military modernization as a means to achieve its national objectives. Likewise, because China's strategy of "limited war in conditions of informatization" focuses on its ability to fight an adversary such as the United States, who has employed an increasingly sophisticated, joint war-fighting doctrine for the past twenty years, China too would need to incorporate some such joint capability into its planning. Thus, its senior military personnel must have an increased understanding of the coordination and cooperation necessary across the service arms

[70] For discussions concerning this and the related issue of Taiwan, see the following: Robert S. Ross, "The 1995-96 Taiwan Strait Confrontation: Coercion, Credibility, and the Use of Force," *International Security*, Vol. 25, No. 2 (Fall 2000), 87-123; Scott L. Kastner, "Ambiguity, Economic Interdependence and the U.S. Strategic Dilemma in the Taiwan Strait," *Journal of Contemporary China*, Vol. 15, No. 49 (November 2006), 651-669; Thomas J. Christensen, "The Contemporary Security Dilemma: Deterring a Taiwan Conflict," *The Washington Quarterly*, Vol. 25, No. 4, 7; Winston Lord, U.S. Department of State Dispatch, *The United States and the Security of Taiwan*, Washington, March 25, 1996, Vol. 7, No. 13, 151-154.

before the force as a whole can compete in a security environment in which the processing of information will yield the advantage in battle before the concentration of forces can begin to have an effect.

Without the ability to incorporate joint doctrine into military planning, or the increasingly sophisticated training required of technicians and operators, China would not be able to rely on its military to bolster its efforts toward its national objectives. Although over time, it is likely that the PLA's efforts at professionalization will allow it to attain a high degree of interoperability, the one thing that remains absent from this military force is experience. It seems likely that even if China is content to wait for eventual reunification of Taiwan with the mainland, if events transpire that indicate to Beijing that reunification is becoming less likely, then they might feel compelled to act, even before they are technically ready for battle. China sent hundreds of thousands of "volunteers" to fight in Korea despite the fact that they had just finished fighting an intense civil war and Beijing was eager to downsize. Such a threat as an independent Taiwan would increase China's dissatisfaction immediately and intensely and they would likely react out of fear and anger rather than calculation and planning. Sending an unprepared force into battle over Taiwan with the opportunity for confrontation with the United States would have intense repercussions for both Washington and Beijing, none of which would be pleasant. China's ability to pursue its national objectives with a professionalized military might mean that the real U.S. influence in the region is actually diminished, but a professionalized military also means that China's doctrine and planning is modern and less-reliant on attrition and concentration of masses, which in the end means that even a real conflict over Taiwan is decisive and relatively bloodless, as opposed to masses of PLA forces confronting a vastly superior American force.

As China has increased its technological sophistication, trained its personnel in accordance with those new technologies, its doctrinal employment has changed as well. Mao Zedong employed a "people's war" concept during the Chinese civil war that relied on a combination of guerrilla tactics, conventional forces and reliance on the populace for support to draw the enemy into the interior and then defeat it. As the range of potential adversaries become more technologically sophisticated, the doctrine of the PLA shifted in

a similar manner, but still relied on the concept of people's war. As the CCP's legitimacy was cemented and China's border disputes became less intense, the PLA was able to adapt a more outward-focused doctrine, which became embodied in the idea of local war under high-technology conditions, after the demonstration of U.S. dominance in the Gulf War. Today, the PLA's doctrine is a slight modification of that idea, reflecting China's deep appreciation for the "informatization" of warfare, essentially an adaptation of the Western understanding of network-centric warfare and the decision cycle.

China's military doctrinal evolution reflects its growing regional interests and power. That China is now attaining the capability for military operations a significant distance from its actual borders represents a distinct trend away from "people's war."[71] That China has established its interests in areas that conflict with regional and global actors represents a single-minded, realist aspect of China's national objectives. Reunification of Taiwan and the territorial claims in the SCS serves many purposes in this regard. The CCP gains credibility by enforcing its sovereign claims to Taiwan, it gains more stable access to natural resources if its claims in the SCS are ever realized and the PLA gains critical experience if it is ever to become the world-class military to whichit aspires. Taken all together, China is able to create conditions that are increasingly favorable to an international order defined by multi-polarity, rather than by unipolarity, founded on American dominance.

D. INCREASING INSTITUTIONALISM

As China's economic modernization has succeeded, its interests have solidified and increased. As the scope of its interests has broadened, its ability to ensure its interests are met has increased as well, as evidenced by the increasingly sophisticated nature of its military capabilities, the professionalization of its personnel and the evolution of its military doctrine to reflect an outward-looking leadership that has proven itself willing to defend its core interests, even if that means conflict or confrontation with states vastly more powerful that itself. This is seen in its behavior during the 1995-1996 Taiwan Strait crisis when it risked confrontation with the United States to ensure that

[71]Shambaugh, 2002, 58.

Taiwan did not proceed too closely towards independence. It demonstrated both its bureaucratic slowness, as well as its confrontational stature towards the United States in the handling of the downing of an American EP-3 in 2001 on Hainan Island. It continues to defend its sovereignty in ways that are at odds with the U.S. interpretation of an EEZ, as seen by its behavior towards the USNS Impeccable in the SCS.[72] This confrontational demeanor is reflected in the manner in which its adaptation of a Western norm, defense transparency, defies standards established and practiced by the West.[73] Although it has produced six defense white papers since 1998, they do not nearly approach the level of transparency evident in the United States. In fact, what they do present is a distinctly different set of priorities and norms, which while on the surface are similar to that of the West, but suggest a parallel interpretation of international relations and security cooperation.

Based on China's 2008 Defense White Paper, it is clear that China has prioritized its international security cooperation in an order that does not abide by international norms. While the white paper itself does represent an increasing trend towards transparency in defense policy, it is clear that China places a greater significance on its regional relations, as opposed to compliance with international norms. The first subheading in the section on International Security Cooperation is "Regional Security Cooperation," in which it highlights the achievements of its cooperation with the Shanghai Cooperation Organization (SCO). In strengthening an organization such as the SCO, China serves its strategic economic needs, it assures its territorial sovereignty and integrity in a region of China that is prone to terrorist and separatist activity,[74] and creates conditions of multi-polarity. Engaging with groups such as the SCO are therefore more conducive to China's national objectives and this fact is seen clearly by its prioritization within China's discussion of its international security cooperation.

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[72] Ji Guoxing, "The Legality of the *Impeccable* Incident" in *China Security*, Vol. 5, No. 2 (Spring 2009), 16.

[73] Shambaugh, 2002, 211.

[74] Many of the exercises in which China participates through the SCO are focused on counterterrorism.

The 2008 White Paper next refers to its membership and cooperation with the ASEAN Regional Forum, an organization with regional focus, but of which the United States is a member. Though China has been wary of pursuing engagement with organizations in which the United States has an influence, as Shambaugh notes:

> Between 1997 and 2001, the Chinese government significantly modified its assessment of regional, and particularly security-related, multilateral organizations…China's perception of such organizations evolved from suspicion, to uncertainty, to supportiveness…After a year or two of sending observers to the meetings of the ASEAN Regional Forum…the Council of Security Cooperation (CSCAP), and nongovernmental track 2 meetings, China's Foreign Ministry became more agnostic and more open to learning about them. Chinese analysts soon discovered that the United States did not control these organizations; to the contrary, it became evident to China (and other Asian participants) that Washington tended to dismiss or ignore them.[75]

This shift towards engagement with organizations, in which the United States does not play a large role, is reflected in its 2008 White Paper by the order in which it addresses its successes within the international security cooperation realm. In its discussion of its membership in ARF, the white paper mentions China's "new security concept," which Miller and Liu describe as:

> …[b]ased on the recognition that security in the post-cold war world will rest not simply on unalloyed calculations of military power, but also on broader political, economic, and technological foundations. The new security architecture, Beijing argues, should incorporate state-to-state relations based on the "five principles of peaceful coexistence.[76]

The five principles of peaceful coexistence, while not contrary to the UN Charter, are amenable to the general precepts of ASEAN's founding norms, but it does not mention the UN Charter at all. In its discussion of its engagement with the China-ASEAN forum and APT, it further stressed "strengthening cooperation in non-traditional security

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[75] Shambaugh, 2004, 68-69.

[76] H. Lyman Miller and Liu Xiaohong, "The Foreign Policy Outlook of China's 'Third Generation' Elite," *The Making of Chinese Foreign and Security Policy in the Era of Reform, 1978-2000*, ed., David M. Lampton (Stanford: Stanford University Press, 2001), 144.

fields,"[77] but does not refer to cooperation within global security organizations such as the UN at all in its first section under International Security Cooperation.

China narrowly defines its participation within the UN in matters related to security by highlighting its "Participation in UN Peacekeeping Operations"[78] in the section after regional cooperation. In this brief section, China lists the numbers of personnel committed over time and the various countries it has deployed them, most of which are in Africa, an area where China has sought to enlarge its access to strategic resources, provide military and financial aid without qualifications for human rights abuses and increased market access for its manufactured products. As the Congressional Research Service notes:

> …[r]enewed Chinese interest in and ties with Africa were sparked in the late 1980s and 1990s by China's rapidly expanding domestic economy and export-focused manufacturing sectors, which spurred trade ties with other countries, including many in commodity-rich Africa…China also advocated international norms of political neutrality and state sovereignty, particularly with respect to non-interference with respect to countries' internal affairs…As remains the case today, PRC assistance was typically conditioned on the recipient country's cutting of ties with Taiwan.[79]

While China's participation in UN PKO is not to be confused with direct bilateral ties with various countries, that Africa accounts for a significant portion of China's oil resources should not be forgotten. Among the countries that China listed as destinations for its PKO missions, the Congo, Liberia, Sudan/Darfur are all in Africa. The Congo and Sudan are the second and third largest sources of mineral fuel to China and China imported 31 percent of Sudan's exports in 2006.[80] Lebanon, whose ruling party

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[77] Information Office of the State Council of the People's Republic of China, *China's National Defense in 2008*, January 2009, 71.

[78] Ibid, 72.

[79] CRS Dir. Mulhollan et al., *China's Foreign Policy and "Soft Power," South America, Asia, Africa, Latin America and the Caribbean*, 105-106.

[80] Wayne M. Morrison, *China's Economic Conditions*, CRS Report for Congress, September 16, 2008, 24.

Hezbollah has strong ties to Iran, has also been the beneficiary of China's PKO engagement. Iran has signed oil-deals with China valued over $100 billion and ensured access over a thirty-year period.

It becomes clear over the course of China's discussion of its international security cooperation that its main objectives are regional relations. While the United States' preference for engagement is at the global and bilateral levels, China has placed a clear importance on regional engagement and avoiding international leadership. This accords with Deng's 24 character strategy, which has been assessed as meaning "a strategy to maximize future options through avoiding unnecessary provocations, shunning excessive international burdens, and building up China's power over a long-term."[81] Thus, while China finds it convenient to avoid large, leadership roles in the international security area, it is coincidentally far more satisfied to use its "soft power" influence through PKO, in conjunction with strong bilateral ties, to isolate Taiwan, provide a stable supply of resources and market for its economic growth, and promote an ideology which, while not directly at odds with the UN Charter, does juxtapose distinctly Chinese values alongside those of the UN in its promotion of its engagement.

China's bilateral military diplomacy places a clear preference for its relationship with Russia over that of the United States, for practical, as well as ideological reasons. China and Russia "have deepened their strategic mutual confidence" while China and the United States "have made gradual progress." China and Japan "have made headway," while relations with ASEAN, India and Pakistan "have been further expanded."[82] The language here used by China to describe its varying relationships represents a clear hierarchy of preference, from the comprehensive nature of its relationship with Russia, to its specific areas of cooperation with the United States. By strengthening its strategic partnership with Russia, China creates conditions favorable to multi-polarity, while at the same time strengthening its inland borders. Although the European Union (EU) and the United States are China's largest trading partners, by strengthening its relationship with

[81] Office of the Secretary of Defense, *Military Power of the People's Republic of China, 2008*, Annual Report to Congress, 8.

[82] Information Office of the State Council of the People's Republic of China, *China's National Defense in 2008*, January 2009, 73.

Russia, China can hedge against a future when it might use military force against Taiwan and faces economic sanctions. Russia would likely veto such efforts in the UNSC as long as China had consistently supported Russia with its challenges in Chechnya.

E. CONCLUSION

China's military modernization represents perhaps the most significant area where overall dissatisfaction is likely to occur, as it is tied directly to its overall growth, and its national objectives. To these ends, China has sought to increase access to modern military technology and equipment in a manner that will allow it to raise the cost of U.S. military intervention in a Taiwan scenario, but which would also provide China with the ability to respond to other regional disputes that are directly related to its national objectives. While China's acquisition of modern military technology is crucial, so too has been the professionalization of its officer corps and enlisted personnel in the form of increased joint training on the use and maintenance of high-technology equipment. China has adopted a doctrine suited to its capabilities, but which addresses the security concerns unique to its regional environment, particularly the potential for conflict with the United States, Japan, Taiwan, or a combination of the three.

China has placed a significant emphasis on its regional cooperation, particularly through the SCO, an exclusive international organization that satisfies nearly all of China's preferences for multilateral cooperation, particularly the absence of the United States, the strengthening of multi-polarity and the isolation of Taiwan. Where China has engaged the UN, specifically through peacekeeping, it has been shown that China has overlapping strategic interests in those areas where its PKO are centered, particularly Africa, the source of much of China's oil. When China has considered its bilateral relationship with the United States, it does not nearly reach the comprehensive or strategic nature of its relationship with Russia, and fairs only slightly better than China's relationship with Japan, a historical adversary. By focusing on and strengthening the organizations such as the SCO, China is able to promote its view of the proper conduct of international relations, with the objective being to direct more benefits to China, while doing so within the constraints of the modern international system. This is consistent

with statements made throughout China's leadership and may represent a potential for confrontation with the West over the issues of Taiwan and the SCS, strategic resource access or any number of security-related matters along China's periphery. What has been termed China's military modernization has incrementally, but steadily increased China's ability to pursue many of its national objectives unilaterally, and might therefore be an issue of intense dissatisfaction if China is not able to pursue its objectives using its other instruments of national power.

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VI. TERRITORIAL DISPUTES

A. CHINA'S REUNIFICATION

When the CCP wrested power from the Nationalists and took control of the mainland of China in 1949, one of its objectives was to reclaim territory that it had lost as a result of the "century of humiliation," in addition to other instances of disputed territory such as that which existed between China and India, Russia, Vietnam and many others of its neighbors. Since 1949, China has resolved most of its territorial disputes through an array of agreements. However, it has yet to satisfactorily resolve the dispute that began over Taiwan when the Nationalists fled there and established their own government. At the time, they claimed to be the government of all of China, however since then they have reduced these claims and more than anything else have made assertions of being a sovereign state, separate from the mainland. For the PRC, this presents a long-standing holdover from China's civil war, a situation that has at times challenged the very legitimacy of the PRC government. Gilpin explains the importance of territory in a general sense:

> In international affairs, territoriality is the functional equivalent of property rights. Like the definition of property, the control of territory confers a bundle of rights. The control and division of territory constitute the basic mechanism governing the distribution of scarce resources among the states in the international system…Contemporary nation-states, especially newly formed states in the Third World, are as fiercely jealous of their territorial sovereignty as their eighteenth-century European predecessors.[83]

In the cases of China's compliance with international norms, its economic interdependence and its military modernization, satisfaction was higher when cooperation allowed China to attain its national objectives. In the case of territorial disputes, satisfaction is likewise assessed best as the result of cooperation in the resolution of territorial disputes. Because of the nature of territorial disputes in general, that is,

[83] Gilpin, 1981, 37.

conflicting claims by two states to the same land, each state is predisposed in such circumstances to exist in a state of dissatisfaction until the claims are settled in their favor. Satisfaction does indeed have a place in the discussion though, as China's satisfaction with the international order can be assessed by looking at its ability to settle its territorial disputes through many of the same types of institutions through which it has pursued its other objectives.

Indeed, there is clear evidence that such a dynamic has been at work in China since 1949. In Johnston's study of China's militarized interstate disputes from 1949 through 1992, the period in which China consolidated much of its power, he explains that most of China's disputes during that time were classified by the Correlates of War project as territorial.[84] Johnston also explains China's use of force in territorial disputes as the result of its desire to consolidate territory, as well as China's status gap with other great powers in the international order. Though supported in part by the COW data, at least to the extent that the occurrence of militarized interstate disputes (MIDs) at particular points in China's history relative to its overall national power, a more compelling argument for China's use of force in territorial disputes is provided by Fravel, who argues that China has been willing to either compromise, delay or use force in such disputes.[85] The use of compromise and delay as strategies for increasing China's satisfaction with its territorial claims have been facilitated to the greatest extent by cooperation with regional, multilateral organization, particularly SCO and ASEAN. These groupings have provided China with the ability to gain the benefits of the disputed territory, while not forcing an immediate resolution, an alternative that is likely to result in the use of force. China has used force to demonstrate its dissatisfaction with events and trends in Taiwan, and has not sought to establish any grouping resembling SCO or ASEAN because of the highly symbolic nature of Taiwan's reunification and China's unwillingness to accord it any status except part of China. SCO and ASEAN therefore represent instances where China

[84] Alastair Iain Johnston, "China's Militarized Interstate Dispute Behavior 1949-1992: A First Cut at the Data," *The China Quarterly*, No. 153 (March 1998), 11.

[85] Fravel, 2008, 10-24.

has settled territorial disputes through the use of regional, multilateral institutions, while Taiwan is an issue where China is most dissatisfied, and has therefore used force, in addition to delaying tactics, to reach its eventual goal of reunification.

China demonstrates its satisfaction with the international order by working through international organizations and norms. By signing bilateral agreements with neighboring states, engaging regional, multilateral organizations and using some aspects of global, multilateral organizations to its benefit, China demonstrates what Medeiros and Fravel describe as its "less confrontational, more sophisticated, more confident, and, at times, more constructive approach toward regional and global affairs."[86] Even though the broad topic of territorial disputes is dominated by dissatisfaction over conflicting claims, yet resorting to force when it perceives a weakening of its claims, particularly with respect to Taiwan.

B. REGIONAL MULTILATERAL

Over the course of its existence the PRC has been unable to fully project its power into the SCS and has therefore delayed settlement there by shelving individual disputes and agreeing to jointly develop natural resource extraction capability, though it has not renounced its sovereign claims either. Prior to China's signing of the TAC in 2002, China used force to strengthen its claims in the SCS three times against Vietnam and the Philippines, the latest occurring in 1994 over Mischief Reef.[87] Since then, China has compromised or delayed over the settlement of territorial claims, though it has not dropped its sovereignty claims to the disputed territory. This behavior is indicative of China's overall satisfaction with its ability to pursue its national objectives, in this case at the regional, multilateral level.

[86] Medeiros and Fravel, 2003, 22.

[87] Fravel, 2008, 65.

Similar behavior is seen in China's willingness to compromise over its disputed borders in Central Asia. After the collapse of the Soviet Union, there emerged border disputes with several states, whereas prior there had only been one. As Fravel points out, the development of the SCO as a

> regional grouping had its origins in border demilitarization talks that continued after the end of the Soviet Union. The same joint negotiating structure that was used in the territorial discussions was used in the demilitarization talks initiated with the Soviet Union in 1990…The SCO's goals matched China's objectives in the region: to secure a long border through demilitarization, cooperate to oppose ethno-nationalist movements, and increase regional trade.[88]

This trend in China's interaction with regional organizations represents a high degree of satisfaction with the benefits that China gains from such cooperation. While China most often compromised in these agreements, it did so while gaining increased support for its internal instabilities. This contributes to China's ability to maintain its modernization efforts, which enhances its satisfaction overall. On the other hand, compromising over the issue of Taiwan would contribute to a severe deterioration in ability to accomplish that same objective, and thus represents an issue of intense dissatisfaction.

In its most important territorial dispute, Taiwan, China has used force to express its dissatisfaction with the disjuncture between its perceived status in the international order and what China feels is its rightful status. It has used force to signal its resolve to use force in the matter even as its claim strength appeared to be weakening, as was represented in 1954, 1958 and 1995/1996 when internal political developments on Taiwan, and increased U.S. support, indicated that China might lose its claim entirely. Though China has used force in the Taiwan issue, it has not been to specifically reunify it politically with the Mainland, though force has been used to stop a perceived move towards such efforts.

[88] Fravel, 2008, 159-160.

Putting the rest of China's territorial disputes to the side, China has used force against Taiwan in three separate incidents since 1949—1954-1955, 1958 and 1995-1996. In each of these cases, two dynamics were involved that compelled China to use force because of a perception of its declining strength in the situation. In each case, the Nationalist government took actions to strengthen its claims to sovereignty by moving toward alliance with the United States, and the United States took actions that represented a strengthening of its commitment to the Nationalist government on Taiwan. For China, this represented an unacceptable move away from reunification. It therefore used force to indicate to both the United States and the KMT that it was not a satisfied with the developments, and would use force to prevent further movements away from reunification. Aside from these uses of force though, China has found other methods to encourage the eventual reunification of Taiwan with the Mainland.

C. GLOBAL MULTILATERAL

Much like its efforts at economic and military modernization through the use the WTO and the UN, China has used its leverage in global, international organizations to strengthen its claims of sovereignty over Taiwan, and thus contribute to its reunification objectives there. The first instance in which China's engagement with an international organization contributed to its efforts of reunification was its accession to the UN in 1971, in which the PRC became the recognized government of China. Prior to this seminal event, China was significantly isolated within the international community and was limited in its abilities to pursue many of its national objectives. Engagement with a multilateral organization such as the UN has proven to be of significant value to China as it has continued to pursue its national objectives. Not only has the UN provided China with a forum in which it enjoys significant leverage to pursue its multi-polarity and modernization objectives, but it also allows China to continue to isolate Taiwan. This has forced Taiwan's leadership to pursue its own objectives in a much more limited fashion, such as its "vacation diplomacy" under President Lee Teng-hui. By denying Taiwan access to such international organizations, China increases its own ability to strengthen its diplomatic relationships with other states and insisting on singular recognition of the

PRC as China's government, to the exclusion of the government of Taiwan. As long as this strategy allows China to maintain its claims over Taiwan, China will be satisfied to postpone actual reunification, but the trend must continue in a direction favorable to Beijing.

D. TRACK 2

Track 2 diplomacy is a vehicle for China to foster an increased level of engagement between an array of unofficial representatives, from academics and policy experts to journalists and athletes. Not only does it promote increased understanding between allies and potential adversaries, but as Job puts it:

> …they serve as agents of change and norm entrepreneurs working to alter perceptions of interests, redefinition of identities (both individual and collective), and acceptance of the key principles of open regionalism and cooperative security.[89]

While for a Western audience the significance of this informality may be the added benefit of a wide array of viewpoints, from China's perspective, this medium is particularly conducive to its satisfaction in the Taiwan situation because of the lack of formality and official representation. Since 1979, when the United States shifted official recognition of from the KMT government on Taiwan to the PRC government on the Mainland, China has been adamant that it is the sole representative of China and that no official recognition is accorded to Taiwan and its leaders. The importance of this dynamic is seen in the degree to which it has affected American policy makers such as Winston Lord, former ambassador to China, who said in regard to the Clinton Taiwan policy review in 1993:

[89] Brian L. Job, "Track 2 Diplomacy: Ideational Contribution to the Evolving Asia Security Order," *Asia Security Order: Instrumental and Normative Features*, ed., Muthiah Alagappa (Stanford: Stanford University Press, 2003), 241.

> There was never any feeling that we were going to revolutionize policy toward Taiwan on one way or another. We weren't going to go backward and resume having official relations with Taiwan. That would have really hurt ourselves with Beijing, as it was one of the most sensitive areas from Beijing's point of view.[90]

This importance stems from several statements by China on the issue of Taiwan in international relations, but which are generally summarized by a 1993 PRC White Paper, in which it is stated, "Taiwan has no right to represent China in the international community, nor can it establish diplomatic ties or enter into relations of an official nature with foreign countries."[91] Thus informal, unofficial contact between representatives of China and Taiwan has come to be the preferred method for resolving the dispute over Taiwan. To that end, Beijing and Taipei maintain unofficial relations through the Association for Relations Across the Taiwan Strait (ARATS) and the Strait Exchange Foundation (SEF), respectively. Washington, which has maintained its involvement there since 1950, engages with Taiwan through its Taipei Economic and Cultural Representative Office (TECRO), an unofficial agency. Within the Track 2 framework established by ARATS and SEF, China is able to pursue its objective of reunification by promoting those areas in which Beijing and Taipei have shared interests, such as increased tourism and investment. As a result of cooperation between these two groups, the level of cross-Strait travel has increased, which in Beijing's view helps to bring about peaceful reunification.

E. BILATERAL

The importance of bilateral relations in China's efforts to broadly promote reunification takes place in both a regional and global manner. Historically, China has used bilateral agreements to resolve its territorial disputes with other major powers such as Russia, India and smaller powers such as Vietnam. These agreements took the form of bilateral agreements in different periods in China's development, but served the purpose

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[90] Nancy Bernkopf Tucker, *China Confidential: American Diplomats and Sino-American Relations, 1945-1996* (New York: Columbia University Press, 2001), 473.

[91] PRC White Paper, "The Taiwan question and reunification of China," *Asian Affairs, an American Review*, Vol. 26, No. 2 (Summer 1999), 90.

of consolidating China's control and allowing it the freedom to address more important territorial disputes such as Taiwan and the SCS. China has also used its economic leverage in its bilateral relations with developing states in Africa and South America to isolate Taiwan from the broader international community by securing promises to recognize only the PRC as the sole government of China. Perhaps China's most important bilateral relationship with respect to the Taiwan issue has been its relationship with the United States. Even though China has consistently claimed Taiwan to be an internal affair to be addressed only by Beijing and representatives of Taiwan, the United States' significant role in the dispute has forced China to calculate its decisions with an eye towards its effects on U.S. behavior.

In the case of China's territorial disputes with Russia, India and Vietnam, they arose as a result of China's reemergence in 1949 and its internal strengthening thereafter. The areas in which these disputes occurred were not of a particularly high value, but did contribute to China's ability to assert its authority over the whole of its territory, thus contributing to its internal legitimacy. As Fravel points out, these territorial disputes were settled through compromise, largely because China wished to engage the other states in its efforts to consolidate its internal authority. Furthermore, in no case was the territory under dispute symbolically important, as in the case of Taiwan.[92] These agreements, which provide more stable borders and increased trust among the participants are the foundation of such organizations as SCO and ASEAN, which contribute strongly to China's ability to achieve its national objectives overall.

China has also sought to bolster its position relative to Taiwan by using its considerable economic leverage to engage in bilateral relations with various African and South American developing nations. Such arrangements, in which China provides economic or military aid, or both, in exchange for recognition of the PRC as the sole government, are important not only because they isolate Taiwan, but they also contribute to China's other national objectives of modernization and multi-polarity. By providing China with more reliable sources of natural resources to fuel its economy Beijing

[92] Fravel, 2008, 43, 50.

strengthens its position as a regional power. In Latin and South America, the Congressional Research Service acknowledges both a threatening and non-threatening perspective on China's engagement in the region, but concludes "China has taken a low-key approach towards the region, focusing on trade and investment opportunities that help contribute to its own economic development…"[93] Likewise, in Africa, China has embassies in 43 of 48 states[94] and has established the Forum on China-Africa Cooperation (FOCAC), both avenues in which to pursue the range of its national objectives. The same report noted the isolation of Taiwan by China in a manner similar to China's engagement in South America, particularly by ensuring that any state to which China gives aid must adhere to the "one China" policy and reflect that adherence in its UN votes. This pattern of bilateral engagement with developing nations to pursue its reunification objective reflects a significant degree of satisfaction with China's ability to pursue its national objectives, especially as success in one, modernization, provides it with increased leverage in the others, multi-polarity and reunification.

More than any other single bilateral relationship, China's relations with the United States present both an opportunity for peaceful resolution, as well as the potential for significant conflict. In each of the three instances in which China has employed force to prevent independence or the slipping away from reunification, the United States played a significant, if not the dominant role. In 1954 it was the possibility that the United States would commit itself to the defense of Taiwan through the 1954 Taiwan Mutual Defense Treaty; in 1958, concerns over American commitments to talks with China drove a similar response; and in 1995/1996, the perception by Beijing that Washington was conciliatory in Taipei's efforts to move towards de jure independence resulted in China's "missile diplomacy."[95] The significance of the China-U.S. relations becomes apparent when these three events, in which U.S. action played a significant role in China's use of force, are held up to events in 1999, in which Taiwan's President Lee

[93] Congressional Research Service, "China's Foreign Policy and "Soft Power" in South America, Asia, and Africa" prepared for the Committee on Foreign Relations, United States Senate, April 2008, 29

[94] Ibid, 110.

[95] Fravel, 2008, 233-262.

Teng-hui made familiar claims of Taiwan's independence and the United States made it clear to China that it would not support such efforts by Taiwan. In this case, China did not perceive its severely declining claim strength because of the absence of a strong U.S. stand in favor of Taiwan, and was therefore satisfied with its continued ability to pursue its national objective of reunification, without resort to the unilateral use of force.

F. UNILATERAL

The use of force by a state is one of the truly unilateral actions that can occur in the international security environment. In China's territorial dispute over Taiwan, it has applied unilateral force in a consistent manner over the course of its existence since 1949, namely when it saw that its claim strength was weakening and its ability to promote reunification was disappearing. This argument is most salient with respect to the 1995/1996 Taiwan Strait Crisis because of the very explicit nature of the actions taken by Taiwan, as well as the United States, which has always figured prominently into China's calculations over Taiwan. In contrast, China did not use force in 1999 when President Lee made comments which were just as inflammatory towards Beijing, but which lacked the political and military backing of the United States. Beijing therefore did not perceive the chances of reunification to be decreasing and as Fravel concludes, "China's leaders were much more confident about the long-term prospects for unification."[96] In this respect, though in reality Beijing's relationship with Taipei is in the form of a state-to-state bilateral relationship, because of Beijing's unwillingness to grant it that status.

The most important bilateral relationship China has with respect to Taiwan is that with the United States. In this instance, though Beijing would rather avoid the influence of Washington in what it perceives to be an internal matter, China's leaders recognize that if their reunification objectives are to be realized, they will have to accede to some American demands, most likely that Taiwan be reunified peaceably. This is contrary to China's refusal to renounce force in the issue and is therefore a cause for a high degree of dissatisfaction by China, as it represents the most significant obstacle to their attainment of their national reunification objective. China's view that Taiwan is simply an internal

[96] Fravel, 2008, 265.

matter to be resolved without the influence of other states reflects the CCP's consistent willingness to use force to maintain political control. Because Taiwan independence would likely result in political disintegration for the CCP, failure to maintain a course towards reunification would signify a failure by the CCP. Much as they were willing to use force at Tiananmen in 1989 to restore and maintain order, the CCP is highly dissatisfied with any trends away from reunification and would act in a manner consistent with their past use of force to express dissatisfaction. On the other hand, peaceful relations across the Strait and in the region in general are in keeping with Beijing's long-term strategy to reunify through peaceful means, increasing economic interdependence and fostering close cultural ties. These ends are in keeping with China's broader national objectives and are therefore likely to increase its overall satisfaction and decrease the likelihood of the unilateral use of force by China.

G. CONCLUSION

As is the case in other measures of China's satisfaction such as economic interdependence and military modernization, territorial disputes, particularly that over Taiwan, on the surface hold the potential for acute conflict because of the historical and symbolic importance that such disputes have played in China's international relations. Also, as in its other national objectives, China's ability to pursue its reunification is indicative of its satisfaction in general with the international order, particularly China's place within it. If China's leaders feel that they are able to satisfy their foreign policy objectives, then they will be more certain of their place at the table of major powers, relatively unconstrained by the United States, which China has often viewed as a hegemon standing in the way of its ambitions. In order to strengthen its claim to Taiwan, territory that the PRC government has never occupied, it has used the range of institutions available to it, from the UN to SCO and ASEAN to bilateral agreements around the world. Its efforts to increase its claim strength have consisted of encouraging its own economic interdependence with Taiwan's economy and at the same time, isolating Taiwan from international interaction by making recognition of the PRC the basis for investment and bilateral relations with other countries. This has the effect of

providing China with valuable resources and markets while promoting its reunification interests. Even the unilateral use of force has played a calculated role in China's territorial dispute over Taiwan. Aware of its relative lack of power to project its military influence across the Taiwan Strait, Beijing has been satisfied to prevent the situation from slipping towards separation, while delaying an explicit settlement until it can be assured of political reunification. To this end, reunification, along with multi-polarity and modernization, have each contributed to the attainment of the other in China's complex and comprehensive foreign policy and attainment of its national objectives. China's overall satisfaction must therefore be increasing as each of these objectives progresses and the United States cannot or does not take steps to obstruct them.

VII. ROLE OF IDEOLOGY

A. CHINA'S ELITE POLITICAL LEADERSHIP

Having assessed the range of China's foreign policy with respect to its compliance with prevailing international norms, its economic interdependence, its military modernization and its territorial disputes, it is useful to also consider whether China's modern elite political leadership do in fact share the same ideological perspective as their predecessors. This is significant because of the fact that if modern China, forming as it did in 1949 under the banner of a communist revolution lead by Mao Zedong, and supported other communist movements throughout the world, is driven by a similar attitude toward the international system, then such an ideological conflict could be representative of a broader dispute between the current major Western powers and China. From the analysis of China's comprehensive engagement in the range of institutions available to it, it was seen that China does adhere to several international norms, particularly sovereignty and territoriality. Yet China's leaders have also shown that they hold a distinctly Chinese perspective of the ways in which states in the international system should interact, as evidenced by the policy of "five principles of peaceful coexistence," which emerged from meetings of Indian, Chinese and Burmese leaders in 1954. The tenets of this policy are indicative and representative of the foreign policies that China has promoted since 1949, and though they are not at odds with Western principles such as the UN Charter, China more strictly adheres to the notion that territorial boundaries and state sovereignty are immutable and unquestionable. The "five principles of peaceful coexistence" have provided China with a useful tool to pursue its foreign policy objectives, particularly when combined with the evolution of China's political leadership.

Tammen and Kugler address the issue of ideological disputes by underscoring the basic difference between the value placed on the individual by the political system in China, as compared to the United States, which ostensibly provides the individual with

more freedoms and voice in the political process.[97] But they do not address the role of ideology in the realm of China's foreign policy, which is where China's ideological differences could most likely confront different ideas espoused by the West. By assessing the role and importance of ideology in China's foreign policy over the course of its existence, it will be clearer whether there is in fact a likelihood of conflict over ideological differences between China and the rest of the world. Also, by tracing the changing importance of ideology among China's elite politicians and the differences between successive rules, it will be shown that ideology no longer plays as significant a role as it did once. If trends continue, China will continue to pursue its foreign policy objectives in an increasingly pragmatic manner, relying less on ideological commitments and more on its appeal through the use of instruments of national power that it has developed over time. Rather than an ideological confrontation, China will instead rely on increasing "soft power" appeal through the promotion of those policies that offer an alternative to the mandates of the United States. Finally, by highlighting China's increasing use of pragmatic approaches to foreign policy since Deng Xiaoping consolidated power and initiated "reform and opening" in 1978, it will become clear that China has been not only increasingly satisfied as it has lessened its revolutionary ideology, but that it has used its increasing power in ways that have not sharpened its differences with the West, but instead have offered a more abiding alternative that many developed and developing nations have found to be more attractive because they do not intend to affect the internal functioning of those states.

B. MAO

The era of Mao was marked by two periods of intense domestic upheaval, the Great Leap Forward (GLF) and the Great Proletarian Cultural Revolution (GPCR). The ideological motivations behind these mass movements are clear in both cases. As a result of lackluster economic growth following the initial collectivization in the 1950s, the CCP leadership, guided by Mao, Deng and Liao, began the GLF, which did not produce the

[97] Ronald L. Tammen and Jacek Kugler, "Power Transition and China-U.S. Conflicts," *Chinese Journal of International Politics*, Vol. 1 (2006), 49.

results planned, and did result in millions of deaths. Mao's reliance on ideologically motivated voluntarism reflected a profound misunderstanding of the dynamics involved in economic planning. At this time, China's foreign policy, which had undergone a reevaluation and consolidation in the early 1950s, began to become more confrontational and revolutionary. The PRC conducted artillery shelling of several of Taiwan's offshore islands during the later 1950's. During the GPCR, a period of time in which Mao once again used his ideological zeal to consolidate his power after the failings of the GLF, China sponsored several Communist insurgencies abroad, including providing troops and military aid to the North Vietnamese in their fight against the Americans during the Vietnam War.[98]

C. DENG

After Mao's death in 1976, Deng Xiaoping overpowered Mao's successor, Hua Guofeng, by appealing to the conclusion among China's elites that continuity with the policies of Mao were not in the best interest of China's future. Deng realized that ideology alone would not provide China with the strong, modern economy and stable security environment that it needed if it was to avoid another period of humiliation at the hands of the West. Deng downplayed ideology in favor of attending to modernizing reforms, articulated in his speech at the 11th CCP Congress, in which he stated that China's leaders should "seek truth from facts." That is, the results of reform should be used to guide the future of China's domestic and international politics. Throughout the Deng reform years, this policy of pragmatism, which placed a much higher importance on the needs of the Chinese state, proved to be extremely beneficial for China's international relations. Having recognized that China did not face an immediate threat, Deng formulated the basis for China's foreign policy, without an overriding appeal to China's revolutionary, ideological past. Instead, Deng's policies sought to create the

[98] H. Lyman Miller and Liu Xiaohong, "The Foreign Policy Elite of China's 'Third Generation' Elite," *The Making of Chinese Foreign Security Policy in the Era of Reform, 1978-2000*, ed., David M. Lampton (Stanford: Stanford University Press, 2001), 126.

conditions for China's modernization by providing it with security through multi-polarity, and taking a long-term view for the reunification of China's historical homelands with greater China.

D. JIANG

Jiang Zemin continued Deng's reforms and widened domestic support for the Communist Party. Because the reforms that Deng had instituted had been tremendously successful, there emerged in China a growing class of business entrepreneurs who had to be co-opted by the CCP, or they might otherwise pose a threat as economic growth overwhelmed the ability of the CCP to incorporate that new social class into the system. Dickson points to a degree of success by the CCP of convincing the emerging business class in China that its interests lie in the continuation of its authoritarian policies:

> The growing alignment between local political and economic elites may in fact reinforce the status quo, because both sets of actors benefit from its preservation. The party retains its monopoly over political participation and takes credit for the economic growth created by the entrepreneurs. Entrepreneurs may be unwilling to risk the certain benefits of the existing system, despite its many irrationalities, for the uncertainties of an alternative arrangement.[99]

This dynamic, embodied by Jiang's "Three Represents"[100] is significant for China and its foreign policy because while it does show that China's leaders are willing to risk a certain degree of openness if it will allow them to further their national objectives, it does not indicate a repudiation of the authoritarian rule that began under Mao. The connection from Jiang through Deng to Mao is evident in the complete reliance on the CCP as the guardian of the Chinese system both at the time of its inception in 1949 through today. The international corollary to this aspect of China's ideological foundation is its

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[99] Bruce J. Dickson, "Cooptation and Corporatism in China: The Logic of Party Adaptation," *Political Science Quarterly*, Vol. 115, No. 4 (Winter 2000), 531.

[100] Kenneth Lieberthal, *Governing China: From Revolution through Reform* (New York: W.W. Norton & Company, 2004), 312.

willingness to engage in multi-lateral organizations to further the state's interest, but maintaining the sanctity of non-interference with the internal affairs of other states according to the five principles of peaceful coexistence.

China's engagement with multi-lateral institutions began with its accession to the UN in 1971 and further increased under Mao and Jiang. This increasing pragmatism has enabled China to gain access to the many sources of information, capital and technology that are critical for its continued success. The ideological motivations of Mao made this sort of engagement incompatible with the revolutionary objectives that he espoused at the time. Only when Mao was no longer a strong influence and Deng could consolidate his power around necessary reforms was the domestic political environment suitable for Deng, Jiang and Hu to move away from ideology towards a pragmatic approach to China's future

E. HU

Hu Jintao has broadened the consensus consolidated by Jiang and maneuvered China into a position in which it can play a greater role in international affairs. Though several different policies have been attributed to Hu, such as his "scientific development concept," nothing has been given the same status as those policies put forth by his predecessors. In addition, Hu has not received the honorary title of "core leader" which would indicate the continuance of at least the same level of ideological commitment to the national leader as existed under Jiang. Given China's rising international importance though, it has had much more capable of defining its interests and achieving its objectives using established instruments if national power, such as diplomacy, information and economics. This increasingly pragmatic approach to both its domestic, economic development and its foreign policy objectives represents a cohesiveness among its top decision-makers that could not be directed by a single ideology, or by a certain person. The drive toward consensus-based leadership in China's elite politics are the result of the reforms instituted by Deng in response and repudiation to the ideological motivations undertaken by Mao, Gilpin addresses the importance of a domestic polity when assessing the potential for conflict within the larger international system.

> …the necessary conditions within a state for it to attempt to change the international system is that domestic social arrangements must ensure that the potential benefits to its members of carrying out this task will exceed the anticipated costs to its members…the power of modern nationalism lies in the fact that individual identity and state interest become fused; the nationalist becomes the patriot willing to sacrifice his own life for the good of the state.[101]

Certainly many of these variables are present in modern day China. A rising business and middle class, increasing nationalism and China's overall place within the hierarchy are related through these domestic factors to the stability of the system in general. While the CCP has co-opted many of these emerging socio-economic classes, ideology has not played a significant role, while access and opportunity have. Using Gilpin's logic, this increasing domestic pragmatism by the CCP will be reflected in China's foreign policy with a similarly practical approach.

F. CONCLUSION

Taken together with China's increased economic interests and subsequent global presence, the possibility for an ideological confrontation with the United States, along the same lines as that which existed during the Cold War with the Soviet Union, are increasingly unlikely. Given however, that Beijing has been successful this far in co-opting its rising political elites to take a stake in the emerging authoritarian capitalist system, then China's international interest can be expected to increase as the domestic interests of its economic elites increase along with China's economy. Thus, an ideological confrontation based on a Communist doctrine of development with the United States, or any other state, is unlikely, because Beijing has so reduced the presence of ideology in either its domestic or international dealings. But in as far as Beijing has sought to engage developing nations that can further its pursuit of its national objectives, China has proven itself adept at appealing with the use of economic and diplomatic incentive based on the tenets of the Five Principles of Peaceful Coexistence. If one were to consider this an ideology along the same lines of democratic peace theory, then there is

[101] Gilpin, 1981, 98.

a possibility of conflict and confrontation in general. But this comprehensive, new outlook and posture by China is more than anything else, a pragmatic and Realist outlook on international affairs, and China is simply playing by the rules already established.

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VIII. CONCLUSION

A. SYSTEMIC ASSESSMENT

This study began by assessing the nature of the current international order promoted by the United States after World War II in order to establish a more stable global security order. China was able to emerge from the Cold War well positioned to take advantage of the openness, transparency and interdependence of the global economy and has grown at a significant rate for many decades as a result of that. Power transition theorists have identified differential growth rates between states in the international system as a critical component in determining the possibility of confrontation and potential military conflict. But differing growth rates cannot explain the nature of one state's intentions with regard to the system, nor to the dominant state in the system.

China has not been the dominant state in the system for several centuries, but it has viewed itself as an historical great power, and so its resurgence in the past thirty years is understood by China's leaders as an inevitable return to great power status. This study assessed the nature of China's power in Realist terms. China's population, GDP, energy usage and military expenditure were used as evidence to assess how China has been converting its country's resources into economic and military influence. Although a large population has both advantages and disadvantages, the other measures of power have been increasing steadily as China has opened itself to the global economy following the reforms instituted by Deng in 1978. Although power transition theory was used as a point of departure for assessing the differential growth rates of the economies of the United States and China, a Realist method was used to arrive at the conclusion that China's expanding domestic economic interests would inevitably result in a likewise expanding foreign policy agenda. China's national objectives, defined in several documents as reunification, modernization and security through multi-polarity, have been used as the standard to which to apply a framework of China's multilateral institutionalism.

B. SATISFACTION

The measures of satisfaction elucidated by Tammen and Kugler were refined in this study to take into account specific aspects of China's case that these authors did not. Compliance with international norms, economic integration, and territorial disputes were taken from these authors because each of those topics applies well to the case of China. Military modernization and the role of ideology were used instead of armaments buildup and ideological conflict, respectively, because the latter two measures were not able to assess the necessary breadth of China's development in useful terms. By broadening the analysis to the former measures, this study was able to capture both the satisfied and dissatisfied aspects of China's behavior and was therefore able to provide more balanced assessments of the significance of China's behavior. In total, the measures of satisfaction used in this study provide a pragmatic assessment of China's foreign policy behavior within the framework of a spectrum of institutionalism. This is useful because it does not reject any particular theoretical basis, but incorporates elements of Realism, liberalism and power transition where it best explains China's behavior. China's increasingly pragmatic behavior necessitates increasingly pragmatic analysis.

Where Tammen and Kugler used armaments buildups and ideological confrontation to assess China's dissatisfaction, this study found the first to be part of a broader trend of modernization in China's military and found that the role of ideology, specifically Communist ideology, has been decreasing as a result of the normative changes instituted by Deng. By assessing China's broader military modernization, it became clear that while China has certainly taken into account many scenarios around its periphery, to include Taiwan and the SCS, its modernization has focused on China's security in general and it cannot be said that China is conducting an armaments buildup. It is however increasing its capacity to effectively promote its interests through military means across the range of potential threats to its security, Taiwan and the SCS included.

Where Tammen and Kugler identified an ideological confrontation with the hegemon as a measure of satisfaction, this study found that Communist ideology of the sort promoted by Mao has been decreasing since Deng consolidated power and

implemented sweeping reforms throughout the country. Rather than looking for instances where Communist rhetoric could be found in statements from Chinese officials, a trend was seen in China's elite political leadership whereby pragmatic concerns, and not ideological convictions, dictated their decision-making. If anything can be said for the likelihood of an ideological confrontation with the United States, it would be more appropriate to say that as China's interests, and means of ensuring those interests increase, then they will come into eventual contact with similar interests of the United States. Where China has used its increasing soft power to influence other states that can serve its national objectives, China may prove to be confrontational with the United States, but in a manner driven by its own pragmatism, not by any leader's ideological convictions.

For those measures that Tammen and Kugler used, and which were found to be particularly effective in assessing China's satisfaction, the conclusions presented in this study found that China uses the entire range of potential interaction with the global system in order to achieve its foreign policy objectives, which are tied directly to its national objectives. China abides with certain international norms when it garners significant benefit from the international organizations that promotes those norms, such as economic and financial transparency. This stems from the fact that China shows a clear preference for avoiding forums in which the United States might act to constrain it, will use such forums when it enjoys significant leverage such as the WTO, and if it can, uses regional forums where the United States has a lesser voice in order to pursue its goals there.

China's economic modernization is a result of its increased connection with the global economy, and so China has been well served by its opening and subsequent accession to the WTO. The patterns of China's involvement in this realm mirrors its behavior in the international order in general, that is, China uses the spectrum of economic institutions available to it in order to achieve its objectives, but avoids the influence of the United States, and uses regional and bilateral forums to do so. Not only

does this strengthen China relative to the United States, but it promotes multi-polarity in a region in which China wants to be the most influential state, clearly at the expense of the United States.

China's military modernization has not been as open to such transparency because of the lack of confidence that China has in its ability to compete with the United States' military. That does not mean though that China has not sought to dramatically increase its ability to ensure its own security in the region and on a supra-regional basis. China has used similar methods for increasing its military stature, such as joining regional organizations in order to provide an arena for it to cooperate with other regional powers and gain experience in those areas where the PLA has traditionally lacked, namely professionalization, institutionalization and increased technological capability. These three factors are believed by China's leaders to be the basis of America's powerful military and so they have sought to replicate them.

Taiwan is an issue of particular importance to the legitimacy of the CCP and the readiness of the PLA to serve it. Thus, while at first glance it might appear that China has been engaging in an armaments buildup across the Taiwan Strait, it is part of a larger trend in China's military modernization, and one in which Taiwan is an important cornerstone. It is far more likely that China would use force across the Taiwan Strait to signal its dissatisfaction with events there than it would be to attempt a cross-Strait invasion. China's military modernization relies on its economic progress and taking Taiwan by force would do little to instill confidence in China's trading partners that China is a force for stability in the region. China is satisfied in this case to delay any resolution to that situation until it can be reasonably assured that it can reunite the island with the Mainland peacefully.

In the SCS, China has shown a similar willingness to maintain the status quo to its benefit regarding its national objectives, but to use force in cases where it sees its claim strength decreasing relative to those states with which it has disputes, such as Vietnam and the Philippines. Much like the situation with Taiwan, China has set aside many differences in order to extract economic benefits from the SCS, particularly energy resources, which are critical to the sustained growth of its economy. While China's

leaders have made statements about the SCS that are similar to those made about Taiwan, the case of the SCS has less symbolic meaning to the CCP and more economic application. While both disputes are related closely to nationalism in China, Taiwan is clearly the higher priority. Nonetheless, the SCS provides good evidence of the trends in China's behavior across the measures of satisfaction assessed in this study.

This study relied on previous scholarship and theoretical work that demonstrated the tendency for a state's international interests to expand as its domestic interests increase. Such a view of state behavior clearly falls within the Realist camp, but this study then relied on measures of satisfaction that fall clearly under the power transition heading. By assessing such measures through the use of China's multi-lateral behavior, this study incorporated liberalist foundations, namely the use of institutions to bind states' interests and lessen the chance for conflict. Such a pragmatic approach lends itself very well to arrive at conclusions that are amenable to policy recommendations. In the case of China's use of multi-lateral institutions to achieve its foreign policy objectives and thus increase its satisfaction with the current global order, the policy recommendations for the United States become increasingly clear.

C. POLICY RECOMMENDATIONS

Any policy with regard to China must take into account its national objectives, which have both regional and global application. China's modernization, economic, military and social, is the most important objective identified by it leaders to both the survival of the CCP and the security of the modern Chinese state. The century of humiliation at the hands of imperialism has left an indelible mark on the psyche of China's national consciousness, and so is taken very seriously. Because of the nature of China's economic and military modernization, in which it relied heavily on resources introduced by the West, any policy that might affect China's ability to continue its modernization effort must take this relationship into account. While China would certainly rather not be so dependent on the American market, it cannot depend on its domestic market yet to support its economy as the United States can. If the United States were to implement a policy that restricted this access, China might view it as threatening

or containing and take action to counter it, such as isolating Japan or allying more strongly with Russia, the latter an historic trend that has been seen when it viewed the United States as increasingly threatening.

The reunification of particular lands, namely Taiwan, the islands in the SCS and the Senkaku Islands are also critical to the legitimacy of the CCP in the eyes of an increasingly nationalistic population, who see success there as one measure of the CCP's ability to govern. Failure might lead to radical instability domestically, which would almost certainly have ramifications beyond the borders of China. Any policy that might affect China's ability to ensure these reunifications must take this into account and weigh the value of denying China these demands with the risk of the alternative. Taiwan is largely symbolic, and so gradual reunification might be in the best interest of Beijing, Taipei, and Washington. The SCS on the other hand, does have real energy resources and SLOC issues that China might be increasingly willing to attempt to control. This would have much more than symbolic impact on the U.S. role in the region. Any policy, must therefore be more assertive than the case of Taiwan in ensuring that China abide by its global and regional legal obligations, such as the UN Charter and the TAC. Washington would enjoy significantly more leverage in such situations if it signed the TAC and took a more prominent role in regional organizations in general. China's strategy has been to avoid the legalistic formulations of Western diplomacy in favor of less formal agreements that are symbolic in nature. If Washington were to assume a similar stance with such organizations as ASEAN, it would strengthen them as a neutral regional pole and enjoy the benefits that now only China does, such as ASEAN plus One.

Of the national objectives studied here, China's efforts to promote multi-polarity are perhaps the most conflictual for the United States. While China couches its efforts to promote such an international order with the fact that it is already an observable trend in international relations, such a policy stands at odds with the notion of the United States as the most powerful state in the system, and a benevolent hegemon. The increasing interests and influence of China throughout the world, particularly in areas such as Iran and Venezuela, is evidence of a broader trend in China's increasing soft power. In addition, China's policies have promoted an increasing role for other regional powers

such as Pakistan, which is both an ally in the war on terror and an adversary of India, another American ally. By promoting multi-polarity in this manner, China has addressed its interests in a manner that does not necessarily accord with U.S. satisfaction. Therefore, any policy that the United States seeks to promote that would attempt to reinforce its dominance of the global order, must be understood in the context of Beijing's policies, which will inherently be somewhat at some odds with that of Washington's. American policy must therefore seek to take the lead in promoting global multi-polarity, but using language and institutions which accord with those already established by previous U.S. policy. American policy must seek to neutralize the influence of Sino-centric multi-polarity in favor of a multi-polar order that relies on the openness, transparency and multilateralism, which are the cornerstone of the American contribution to global stability. The issues of global concern and risks to stability in various regions throughout the world are too many for the United States to maintain continuous awareness and contribute the necessary resources. By strengthening American multi-polarity, the United States can keep issues at the regional level and avoid becoming entangled in local affairs. Doing so will require increased communication with current and potential allies, the building of trust and the strengthening of relationships at the local level to create a network of poles whose interests are defined by stability and economic openness. While China has shown a willingness to abide by some of these tenets, it has also shown evidence of an exclusionary and secretive nature that is not conducive to regional and global stability. The two inescapable facts of the 21st century are that the United States will remain a dominant power and China's interests will expand. Taking into account at least one other potential major state means that the system already possesses some evidence of multi-polarity. The United States must harness its institution-building capability and bring China into the fold of such multilateralism.

This study has sought to highlight China's interests, assess its efforts to achieve them and determine how well it has done that. In doing so, several trends emerged that can provide American policy makers with a useful tool for assessing China's foreign policy and thus determine their own. Only by treating China as a major power, by understanding the nature of sovereignty as China understands it and by understanding the

pragmatic nature of its policies can American policymakers hope to implement decisions in a manner that increases stability in the global order. Given China's size and power potential, even issues that appear as regional have the ability to become global and that is to be avoided. To do this, the United States must remain firm but pragmatic in its own behavior, indicating a willingness to behave in a manner not unlike the Chinese.

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